Acting on Impact

ANNUAL REPORT 2023

Supporter of your life

At the heart
of society,
in the lives
of people

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Our Purpose

ageas
Supporter of your life

EUR 17.1 billion
annual inflows

47
million customers

Life, Non-Life & Reinsurance

BEL 20
listed company

CARE
DARE
DELIVER
SHARE

50,000
employees

200
years of heritage

Our strategy
Impact24

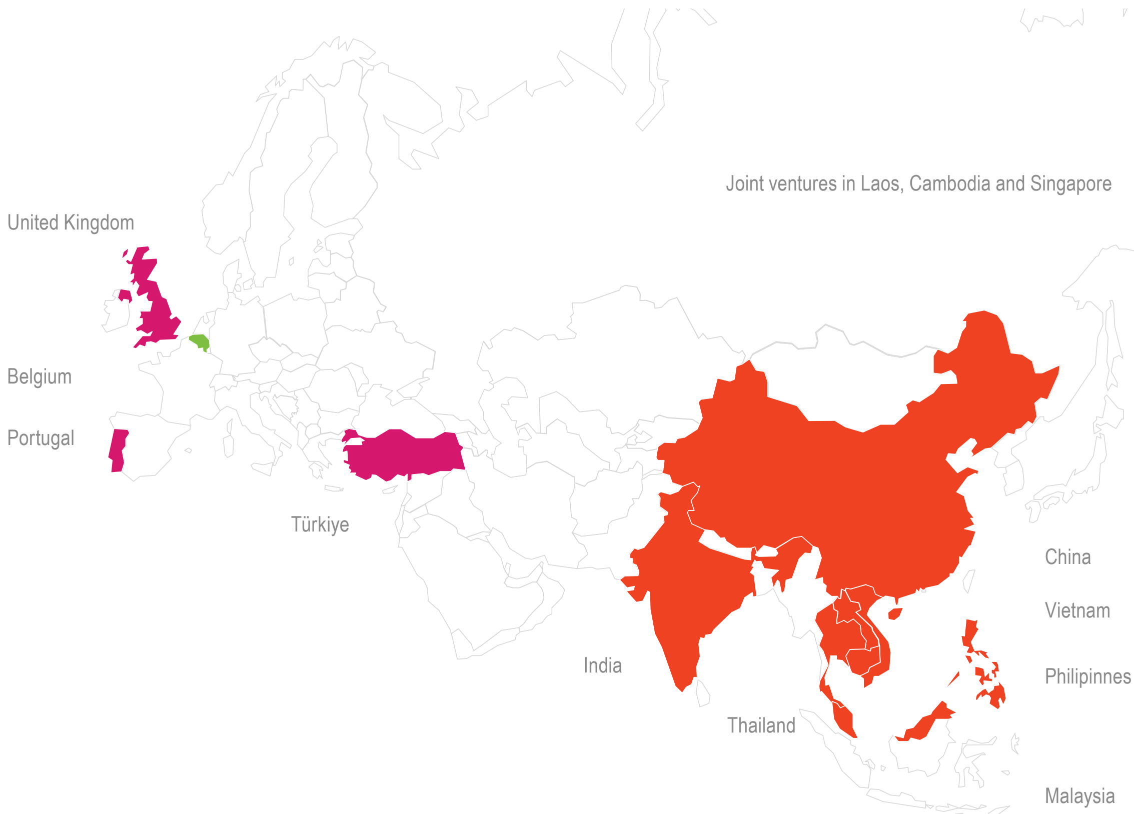
About Ageas

Ageas is a listed international insurance Group with a heritage spanning 200 years. We offer Retail and Business customers Life and Non-Life insurance products, and we are also engaged in reinsurance activities.
Our customers are at the heart of our business, and our products and services are designed to anticipate, manage, and cover their risks through a wide range of solutions designed for their needs, both today and in the future.

We are one of Europe's larger insurance companies and also well represented in Asia. Ageas is on the ground in 13 countries (Belgium, UK, Portugal, Türkiye, China, Malaysia, India, Thailand, Vietnam, Laos, Cambodia, Singapore, and the Philippines) through a combination of wholly owned subsidiaries and long-term partnerships with strong financial institutions and key distributors.

Ageas ranks among the market leaders in the countries in which it operates. Every day, more than 50,000 skilled and committed employees are at the service of nearly 47 million customers. Our Group has at its foundation a set of core values - Care, Dare, Deliver, and Share – representing who we are and how we work. As a "Supporter of your life" we seek to create social and economic value for our customers, employees, partners, investors, and society at large. In 2023, Ageas reported annual inflows more than EUR 17 billion. Ageas is listed on Euronext Brussels and is included in the BEL20 and BEL® ESG index.

Active in 13 countries across Europe and Asia



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Report of the Board of Directors

The Ageas Annual Report 2023 includes the Report of the Board of Directors of Ageas prepared in accordance with the legal and regulatory requirements applicable in Belgium (pursuant to article 3:6 and 3:32 of the Belgian Code of Companies and Associations) and the Ageas Consolidated Financial Statements 2023, with comparative figures of 2022, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, as well as the Financial Statements of Ageas SA/NV.

The non-financial disclosure reports in accordance with the EU directive on non-financial information, the EU taxonomy regulation, national ESG related legislation and regulatory recommendations. The information and data in the Annual Report is prepared in accordance with the GRI Universal Standards 2021[1].

All amounts in the tables of this Annual Report are denominated in millions of euros, unless stated otherwise.

[1] The GRI Universal Standards 2021 represent global best practice for reporting publicly on a range of economic, environmental and social impacts. Sustainability reporting based on the Standards provides information about an organization's positive or negative contributions to sustainable development. Detailed information can be found in the GRI content index in note E.

Message from the Chairman & CEO

CEO Hans De Cuyper and Chairman Bart De Smet look back on the past year at Ageas and give a sneak preview of what is in the pipeline for the years to come.

Making progress in a complex world

The world is evolving faster than ever. The pace of change driven by new opportunities, new risks, and new challenges in 2023 was at times breath-taking. There is every indication it will continue to gather speed with new impactful trends emerging on our horizon. **It is how we prepare for and react to these changing circumstances that will define our future** and the positive impact we will have on all our stakeholders.

In 2023, the impact of inflation made its mark particularly on the Non-Life business in several markets, but we managed to respond with smart solutions adapted to the local context. We also witnessed the Asian economies in slow-down mode. The low interest rates remained challenging in China in particular, while in Europe we noted an increase in rates after decades at low levels, which benefitted our activities through higher returns on investments. On the geopolitical front, the wars that the world is facing had an indirect effect on our business, adding increased volatility to the financial markets. But ultimately, we must remember that these remain first and foremost human tragedies. And let us not forget the devastating earthquake in Türkiye at the start of the year 2023. The support of the Ageas family around the world for Turkish employees, partners and customers who lost their loved ones or their homes, was quite remarkable. We came together to do what we do best, being a supporter of people's lives.

Throughout 2023, **Ageas continued to benefit from a resilient and highly diversified business model which helped absorb the effects of unstable market conditions.** As we enter the final straight in our Impact24 journey, we are pleased that **we remain on track to achieve our strategic and financial objectives.** And in preparation for a new strategic cycle, we have announced the new composition of our Executive Committee, which aligns with our strategic ambitions and better reflects our current business profile.

In 2023, we reported using the new IFRS 17 & 9 accounting standards for the first time. Preparing for these new standards was an enormous logistical task. We welcome the greater transparency these new standards offer, which better reflects our performance. We are grateful to the countless colleagues across the entire business who worked intensely over the past years to make this transformation a success. And with the increased attention on ESG, new non-financial reporting standards such as the CSRD requirements, are already around the corner.

A continued strong commercial and operational performance

In 2023, Ageas delivered a strong commercial performance. This was mainly driven by a remarkable growth in Non-Life across the Group and by the strong Life activities in China. Our strong operating performance is reflected in the solid margins in Life and the combined ratio we achieved in Non-Life, but also in the strong Operational Capital Generation that amounted to EUR 1.8 billion.

Thanks to all our efforts and solid performance, we have once again managed to deliver on the commitments we made to our investors, achieving a Net Operating Result of EUR 1.17 billion, well within the upper half of the initial guidance of EUR 1.1 billion to 1.2 billion.

We remain on track to deliver on the EPS growth target of 6 to 8% in Impact24. With this earnings growth, we are confident in the operating entities' ability to upstream more than sufficient cash to ensure an attractive dividend growth in line with the Impact24 ambition also beyond this strategic cycle. With a total gross cash dividend of EUR 3.25 per share over 2023, investors receive an attractive final dividend of EUR 1.75 on top of Ageas's commitment to pay-out going forward each year an interim dividend of EUR 1.5.

Bart De Smet, Chairman and Hans De Cuyper, CEO

We are very grateful to our committed people and valued partners for their significant contribution to our strong performance in 2023, and I want to thank our investors and customers for their unwavering trust.

Regarding the progress on our Impact24 strategy, we took important steps in delivering on our ambitions in terms of growth, commercial excellence, integration of tech & data, and sustainability.

We decided to divest our business activities in France in line with our strategy to focus on our core markets in Europe. **Reinsurance is now a fully-fledged business unit within Ageas**, supported by a strong team of around thirty reinsurance experts. It is already proving its added value in diversification of capital and spreading risks. With a successful 1st of January 2024 renewal campaign and a net operating result of EUR 101 million, Reinsurance is already demonstrating its strong contribution to the Group.

While we remain committed to physical distribution including bancassurance, brokers and agents, we also recognise that **adapting our offer to ecosystems and digital platforms keeps us close to the customer** and provides us with access to real scale. New B2B2C digital channels launched in India already allowed us to reach a milestone of EUR 5 million inflows within a year, providing coverage to more than 500,000 new customers that we previously could not reach. As our traditional distribution partners progress their own digital journeys, we have responded quickly to their call for new tools and expertise. And at the same time, we are working with Next-Gen partners to embed innovative insurance offers into their customer journeys.

Supporting the transition towards a more sustainable world

Sustainability has been a deliberate strategic choice for Ageas. Its relevance across the world continues to increase and remains a high priority for society as evidenced by the recent COP28 meeting. We put clear targets on what we promised to achieve under our current Impact24 cycle, and we are proud to report that we are delivering ahead of plan. We already exceeded our sustainable investments target, with more than EUR 13 billion invested in sustainable assets. At the start of our Impact24 journey, we also set a goal of 25% of gross written premiums coming from products that support our customers in the transition to a more sustainable world. This target has already been exceeded with 28% meeting the criteria. Achieving this requires an innovation mindset, stimulated through events like our ESG Hackathon in 2023. We brought together 60 employees with diverse backgrounds who were challenged to work on five important societal themes (Savings, Well-being, Green Mobility, Sustainability Housing, and Inclusivity) with a goal to create scalable and sustainable product propositions and inspire new concepts. **Our efforts were recognised by the ESG rating agencies we actively engage with. Five out of the six increased their rating for Ageas** over 2023. Although we are proud of the new milestones reached, there is no room for complacency in our sustainability story. We consider it work in progress, with more to be done.

Humans at the centre… empowered by AI

There has been a lot of noise around AI and Generative AI (Gen AI) in the past year. And there is no doubt that **AI has the capacity to revolutionise our business over time, benefitting every part of our value chain,** as proven by multiple AI-applications that already exist across the Group. But ultimately, we believe insurance is fundamentally a people business. It's our people who make the difference. We view AI and Gen AI as a way of augmenting what we do, for the good of our clients and for the growth of our own people. It has the capacity to support us to further finetune risk models, hyper-personalise our offer, improve operational efficiency and spark innovation. **Our ethos is simple in the AI arena – let's do more with the same people.** In line with this, the Group developed a responsible approach to the deployment of AI and Gen AI, monitoring the risks, setting clear priorities, creating synergies, and respecting a transparent ethical framework.

Like everyone else, we are still in experimentation mode with Gen AI, learning how best to adopt and integrate this new technology. Inversely, we are also using Gen AI as a tool to learn! Gen AI is helping us to improve our agents' and salespeople's skills through an interactive sales conversation simulator, one of the first of its kind in the insurance world. **Our salesforce plays a particularly important role in the world of Ageas as the face of our Group.** That's why we continue to explore ways to support them to improve the customer experience. In the agency channel, we have never been more convinced it's about quality over quantity. Over the past year, 74% more agents achieved the requirements to qualify for the prestigious Million Dollar Round Table (MDRT) membership, which is a true recognition of the quality of their work.

AI may be the 'cool kid on the block' right now, but let's not forget there is more to digital transformation than AI. In many markets we have successfully re-platformed our legacy systems as a prerequisite for further digitisation of our services, while continuously improving data & management, the nutrients that 'feed' AI.

As a people business we have continued to work hard to position Ageas as a Great place to Grow: developing our talent and attracting new talent along the way; paying attention to diversity and inclusion; and providing the best environment to work which included welcoming employees to our new head office in Brussels, attuned to the hybrid way of working. **We were proud to once again receive the recognition of 'Top Employer'** in Belgium and UK, while our entities in Türkiye, India and the regional office in Hong Kong have received similar recognitions.

Who knows… by next year, Generative AI could be writing this letter to stakeholders. Although we still prefer the personal touch. So let us end with a personally written, **sincere thank you to our 50,000 remarkable employees and partners** who made everything you read in this report happen. And we also have our **47 million customers and valued investors** across the globe to thank for their continued trust in Ageas.

Bart

Bart De Smet,
Chairman

Hans

Hans De Cuyper,
CEO

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Key-events in 2023

19-01 **Ageas re-certified as "Top Employer" in key markets**

The Top Employer certification recognises organisations dedicated to the implementation of a stimulating working environment for employees.
Ageas Corporate Centre, AG and AG Real Estate in Belgium, and Ageas UK have all been re-certified by the Top Employers Institute for among other things, company strategy & culture, the onboarding & integration of new employees, training & development offerings, employee involvement and a work environment embracing new ways of working. Ageas Asia was also named among "Best Companies to Work for in Asia 2023" and similar recognitions were received in India and Türkiye.

15-02 **Ageas hosts Groupwide ESG Product Hackathon**

Through Impact24, Ageas engaged to stimulate its customers towards a more sustainable world by developing and launching a wide range of sustainable products.
Sixty participants, including underwriters, actuaries, and product developers from different countries, came together to participate in a two-day challenge to work on five important societal themes (Savings, Well-being, Green Mobility, Sustainability Housing and Inclusivity) with a goal to create scalable and sustainable product propositions and inspire new concepts.

22-02 **Ageas reports full year 2022 results**

Ageas delivered solid results and momentum in first year of Impact24 strategy.
Thanks to a strong operating performance across all regions, the Group's net result exceeded EUR 1 billion despite the challenging market conditions. The Group's solid balance sheet allowed it to propose to its shareholders a total gross dividend of EUR 3 over 2022.

20-04 **Ageas moves headquarters to "a Great place to Grow"**

The move to a new headquarters building is part of Ageas's corporate strategy that puts well-being and sustainability front and centre.
Close to 200 corporate centre employees made the move to the recently renovated Manhattan building in Brussels, underscoring the Group's strong commitment to providing its employees with a Great place to Grow. The new offices are designed to encourage learning and innovation, collaboration and teamwork, while promoting well-being and a positive environment for daily performance.

01-06 **Wim Guilliams takes up role of Ageas Group CFO**

Following the requisite regulatory approvals, Wim Guilliams took up the reins of the Ageas Group CFO role and joins the Ageas Board of Directors.

30-08 Ageas announces first half-year results 2023 under IFRS 17 & 9

In its first report under the new accounting standards, Ageas delivered a strong performance. The Group reported a EUR 599 million operating result, reflecting a solid performance in Life in China and in Non-Life across all segments. The Group paid out an interim gross cash dividend of EUR 1.5 per share and intends to repeat this on an annual basis going forward.

25-09 Ageas sells its French business activities to Carac

The decision to divest aligns with Ageas's strategy to streamline its European portfolio and to concentrate on its core markets in the region.

Ageas transfers its French life insurance, savings and pension business to La Mutuelle Epargne Retraite Prévoyance Carac ("Carac").

23-11 Ageas hosts Investor Day in London

Ageas used this event to confirm to investors its guidance and dividend approach beyond Impact24, while reconfirming its long-term strategy in China, expanding on the successful turnaround of the Group's business in the UK and sharing the opportunities for future growth as a market leader in Belgium.

27-12 New digital B2B2C channel exceeds expectations

Ageas reached a significant milestone in its embedded insurance journey.

Through its first digital B2B2C sales channels in India, AFLI reached EUR 5 million in inflows in its first year of operation, covering more than 500,000 lives. Plans are underway to export this success to other markets.

21-12 Ageas deploys a unique Gen AI driven training tool for salesforce

Ageas has a long track record in safely deploying AI applications across its value chain wherever it adds value to our customers, our people and our business. Last year, Ageas announced the roll-out of a unique digital training application across Europe and Asia - the Ageas "Digital Coach". This interactive tool is designed to upskill insurance and financial advisors through cutting-edge Generative AI technology.

Read more about these events on our Annual report website.

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Our 2023 performance

Financial & Operational performance

In my first full year as CFO of Ageas, I'm very proud of the solid operating performance our entities achieved across the Group, allowing us to deliver on our engagements towards the investor community with Net Operating Results within the upper half of our initial guidance, and a proposed dividend increase fully in line with the growth trajectory included in our Impact24 commitments.

Wim Guilliams,
CFO Ageas

Outstanding business performance

Overall Ageas delivered a strong commercial performance in 2023 with inflows up 8% in local currency. The significant increase in Non-Life inflows across all segments reflects increased volumes and the continued strong technical pricing discipline in the face of inflation. The growth in Life was driven by strong sales and solid renewals in China.

The strong operating performance is reflected in solid operating margins. The Net Operating Result of EUR 1,166 million falls well within the upper half of the initial guidance of EUR 1.1 billion to EUR 1.2 billion. The strong business performance was also reflected in an Operational Capital Generation of EUR 1.8 billion including both the Solvency II and the non-Solvency II scope entities. The Operational Free Capital Generation amounted to a strong EUR 1.2 billion. With these results and a Pillar II Solvency ratio of 217%, the Board of Directors has decided to propose a total gross cash dividend of EUR 3.25 per share, representing an increase of over 8% versus last year.

Group inflows were 8% up at constant exchange rates compared to last year amounting to EUR 17.1 billion. Growth in Life inflows was particularly strong in China, driven by new business sales in the first half year ahead of the regulatory pricing rate change coming into place in the second half year, and solid renewals in the last six months of the year. In Belgium and Portugal customer appetite for Life insurance products was impacted by the higher interest rates and changed dynamics with short term banking products. The actions taken in the first half to strengthen the commercial position proved successful during the final months of the year. The Life Liabilities excluding UG/L grew 5% to EUR 84.7 billion at constant exchange rates.

Non-Life inflows were up 17% at constant exchange rates with growth across all segments, driven by portfolio growth and price increases in response to increased inflation.

The third-party Reinsurance business successfully completed the 1 January 2024 renewal period.

The **Net Operating Result** for the Group amounted to EUR 1,166 million, representing a 16.2% Return on Equity. At constant exchange rates, this represents a 9% increase compared to last year's Net Operating Result excluding the capital gains related to the sale of the commercial lines in the UK and the FRESH liability management action.

The **Guaranteed margin** of 124 bps and the Unit-Linked margin of 39 bps in Life were driven by a strong underwriting performance, with the Life operating insurance service result up 6% compared to last year. The Life Net Operating result was EUR 894 million, driven by a strong underwriting performance across all segments reflecting the quality of the Life business.

The Non-Life **combined ratio** of 93.3% is driven by a favourable claims experience across all product lines, supported by relatively benign weather in 2023 and an improved expense ratio.

This translated into a Non-Life Net Operating Result of EUR 389 million, more than double that of last year, excluding the capital gain realised on the sale of the commercial lines in the UK in 2022.

The **Life Contractual Service Margin (CSM)** amounted to EUR 9.3 billion with a New Business contribution to the CSM of EUR 805 million. The Operating CSM movement amounted to EUR 309 million, representing an increase of 3.2%, mainly driven by Asia.

The **Comprehensive equity,** comprising the sum of the Shareholders' equity of EUR 7.4 billion, the unrealised gains and losses on real estate and the CSM of the Life business, stood at EUR 15.6 billion or EUR 85.04 per share. The contribution from the Net Operating Result and Net Operating CSM movement was offset by the payment of the final 2022 dividend and unfavourable exchange rate evolution.

Ageas exhibits a very strong solvency level in both the Solvency II and the non-Solvency II scope. Ageas's **Solvency II Pillar II ratio** amounted to a strong 217%, largely above the Group's target of 175% and broadly in line with the level of 218% at the end of the 2022, as the additional required capital from the strong sales momentum in Non-Life and reinsurance was fully compensated by the proceeds of the sale of the business in France. The solvency of the non-Solvency II scope companies increased significantly to 282%, up 74 percentage points compared to the end of 2022, largely driven by strengthening measures implemented in China.

The **Operational Capital Generation** over the period stood at EUR 1.8 billion, illustrating a solid operating performance across the Group and confirming the strong Net Operating Result. This included EUR 857 million generated by the Solvency II scope companies, and EUR 1,116 million from the Non-Solvency scope entities, while the General Account consumed EUR 169 million.

Operational Free Capital Generation, including both the Solvency II and the non-Solvency II scope, amounted to EUR 1.2 billion.

IMPACT24 - FINANCIAL & OPERATING TARGETS	Performance 2023	Performance 2022
Non-Life Combined Ratio	92.1%	95.9%
Life Guaranteed margin	107 bps	113 bps
Life Unit-Linked margin	39 bps	37 bps
Group Solvency II_{ageas} ratio	217%	218%

KEY FIGURES AGEAS

in EUR million (unless mentioned otherwise)	FY 2023	H2 2023	FY 2022	H2 2022
Gross inflows	**17,118**	**7,856**	**16,636**	**7,532**
- Belgium	5,072	2,523	4,957	2,436
- Europe	3,621	1,921	3,378	1,612
- Asia	8,164	3,292	8,122	3,444
- Reinsurance Protection	261	120	179	40
- Life	**11,162**	**4,926**	**11,334**	**5,068**
- Non Life	**5,956**	**2,930**	**5,302**	**2,465**
Net Result Ageas	**953**	**423**	**1,097**	**466**
Net Operating Result Ageas[1]	1,166	555	1,312	573
- Belgium	494	230	515	219
- Europe	144	97	115	9
- Asia	544	247	668	283
- Reinsurance	101	35	(3)	(18)
- General Account	(117)	(54)	17	80
- Life	894	404	1,059	444
- Non-Life	389	205	236	49
- General Account	(117)	(54)	17	80
Life Guaranteed margin (in bps)[2]	**124**	**136**	**142**	**116**
Life Unit-Linked margin (in bps)[2]	**39**	**40**	**37**	**40**
Non-Life Combined ratio (in %)[2]	**93.3%**	**93.3%**	**97.7%**	**99.2%**
Operational Capital Generation	**1,803**	**777**	**1,791**	**906**
Operational Free Capital Generation	**1,162**	**670**	**1,172**	**604**
Shareholders' equity	**7,422**	**7,422**	**6,975**	**6,975**
Comprehensive equity[3]	**15,620**	**15,620**	**15,670**	**15,670**
Solvency Available Capital	**17,428**	**17,428**	**14,959**	**14,959**
Return on Shareholders' equity	**16.2%**	**15.2%**	**17.3%**	**15.6%**
Cum. Average number of outstanding shares (in m of shares)	**184**	**184**	**184**	**-**
Net Operating Earnings per share (in EUR)	**6.35**	**3.02**	**7.13**	**3.12**
Operational Capital Generation per share (in EUR)	**9.82**	**4.23**	**9.75**	**4.94**
Actual number of outstanding shares (in m of shares)	**184**	**184**	**184**	**-**
Comprehensive equity per share (in EUR)	**85.04**	**85.04**	**85.32**	**-**
(Interim) Dividend per share declared (in EUR)	**3.25**	**1.75**	**3.00**	**1.50**
Impact24 Targets[4]				
- Life Guaranteed margin (in bps)	**107**	**114**	**113**	**89**
- Life Unit-Linked margin (in bps)	**39**	**40**	**37**	**38**
- Non-Life Combined ratio (in %)	**92.1%**	**93.7%**	**95.9%**	**97.8%**
- Solvency II - Pillar II	**217%**	**217%**	**218%**	**218%**

1. Following amendments to the definition of Net Operating Result, the comparative amount of 2022 was restated for the impact hyperinflation (IAS 29, other amendments were immaterial).
2. Group-wide Life margins and combined ratio: Scope includes all entities at Ageas's share.
3. Comprehensive equity only includes CSM Life
4. Impact24 Targets: The same entities are considered as at the moment the Impact24 targets were defined. The Impact24 combined ratio and the Life Margins are calculated at Ageas's share for the entities Belgium, UK, Portugal and Reinsurance Protection.

Non-financial & Sustainability Performance

In setting clear non-financial and sustainability targets as part of our Impact24 strategy we deliberately wanted to capture and hold ourselves accountable for those elements of our performance that were not traditionally visible in the core financials but are increasingly important to who we are as a company, and our impact in this world. This year showed strong results reflected in improved ESG ratings and reaching some of our non-financial and sustainability targets one year ahead of plan. At the same time, we launched a number of new initiatives to improve the customer experience, expand our distribution reach and increase our efficiency through the use of new technologies and new types of partnerships. So, we can be happy with our progress and all teams are highly engaged with more still to do.

Gilke Eeckhoudt,
CDSO Ageas

In the second year of Impact24, Ageas continued to make significant steps toward its non-financial and sustainability objectives. These efforts resulted in improved ratings from five out of the six ESG rating agencies that assess the Group's performance. Additionally, Ageas launched numerous initiatives aimed at reinforcing its core business, enhancing the various distribution channels, elevating the customer experience, and seamlessly integrating new technologies into its operations.

Regarding to the non-financial targets, we expanded the number of entities where the Group assesses the competitive Net Promoter Score (NPS) to ten. Additionally, we exceeded our initial target by achieving a higher percentage of products that qualify for the 25% of Gross Written Premium (GWP) objective of products actively contributing to the transition toward a more sustainable world. The percentage increased from 21% at the end of 2022 to 28% at the end of 2023. Furthermore, our total investments making a positive impact on sustainability have grown to EUR 13.2 billion, surpassing the original ambition set for 2024. Lastly, we've made good progress across all people KPIs in line with our ambition to create a "Great place to Grow" for our employees.

IMPACT24 - NON-FINANCIAL & SUSTAINABILITY TARGETS	Target	Performance 2023	Performance 2022
Competitive NPS*	Top quartile in all markets	**25%**	25%
Percentage of GWP from products that stimulate the transition to a more sustainable world	25%	**28 %**	21 %
Employee NPS	Top quartile benchmark: 67	**67.4**	56
GLASS CEILING INDEX (Via Women in Finance):			
Ratio % Women in senior management/ total % women in company	70% ratio	**65%**	57%
Balanced (M/F) Succession pipeline Top 800	50-50	**62-38**	63-37
GENDER DIVERSITY INDEX (via Women on Board):			
Equal participation of women at decision level	Top quartile	**0.87**	0.75
Investments making a positive contribution to transition towards a more sustainable world	EUR 10 billion	**EUR 13.2 billion**	EUR 10.3 billion
Level of ESG-integration of investment decisions	100%	**100%**	99%
Carbon emissions of the operations (scope 1 & 2)	Neutral	**Neutral**	Neutral

** % of consolidated entities with a top quartile cNPS*

Belgium

> As the leading insurer in Belgium across both life and now Non-Life, we continually set the bar high in terms of our performance but also the standards we set for ourselves. 2023 was the perfect example. As market leader we have a responsibility to set the right example but also to drive and inspire the next generation of insurance. As momentum builds around our 200th anniversary we are reminded of the fact that this has always been our mantra in a market we helped create two centuries ago.

Heidi Delobelle,
CEO Belgium

2023 performance

Inflows increased by 2% thanks to very strong growth in Non-Life (+11%), more than compensating for lower inflows in Life (-2%). Non-Life inflows recorded an increase in all business lines driven by portfolio growth and price increases, while Life inflows decreased due to lower sales related to higher interest rates and volatile financial markets. Nevertheless, the contribution of New Business to CSM combined with the time value more than covered the release of the CSM to the Net Operating Result.

The **Life Guaranteed margin** reached a very strong 100 bps, significantly above the target range mainly driven by an excellent operating insurance service result in the second half of the year. The comparison with last year is influenced by the exceptionally high level of capital gains realised in 2022. The Life **Unit-linked margin** amounted to 43 bps, above the target range and last year's margin.

The Non-Life **combined ratio** stood at 89.4% driven by a strong performance in all business lines and relatively benign weather.

The **Net Operating Result** in 2023 amounted to EUR 494 million of which EUR 331 million in Life and EUR 163 million in Non-Life. The evolution of the Life result compared to last year is fully related to a lower contribution of realised net capital gains partially compensated by a higher operating insurance service result. The strong operational performance was also reflected in an Operational Capital Generation of EUR 573 million.

N° 1 insurer in Belgium

200 year heritage

3 million customers

1.3 million vehicles covered

Read the full interview with Heidi Delobelle on the 2023 achievements & performance in Belgium.

Europe

"

Regardless of what economic scenario we face, we are firm believers that innovation is the key to success. This has been at the core of our DNA as a brand since the beginning and it has been evident in the way we have chosen to navigate our way through 2023.

Steven Braekeveldt,
CEO Portugal

Read the full interview with Steven Braekeveldt on the Portuguese performance and progress against the Impact24 strategy

N° **2** Life insurer in Portugal

N° **2** insurer in Life and Personal Accidents in Türkiye

15 million customers

2.9 million vehicles covered in the UK

2023 performance

Inflows increased 15% at constant exchange rates with higher Non-Life inflows more than compensating for lower Life inflows. Non-Life inflows increased 26% at constant exchange rates mainly driven by a strong increase in Portugal and the UK (+47% scope-on-scope for the UK) thanks to strong growth in customer numbers and continued strong technical pricing discipline in the face of inflation. Life inflows decreased 10% at constant exchange rates mainly impacted by limited appetite in Unit- Linked products in Portugal partially compensated by higher inflows in Türkiye. The actions taken in Portugal to strengthen the commercial positioning have proved successful during the last months of the year with the second half of the year recording an important increase in Life inflows compared to the first half of the year.

The **Life Guaranteed margin** increased to 204 bps thanks to a better investment result, while Life Unit-Linked margin amounted to 20 bps.

The Non-Life **combined ratio** stood at 95.9%, significantly improving compared to last year thanks to a strong performance in the UK.

The **Net Operating Result** increased significantly compared to last year to EUR 144 million of which EUR 60 million in Life and EUR 84 million in Non-Life. The Life result increased compared to last year thanks to an improved result on surplus assets. Adjusting last year's Non-Life result for the exceptional gain of EUR 45 million related to the sale of the commercial lines book in the UK, the 2023 result increased thanks to a strongly improved operating insurance service result in the UK and Türkiye.

Read the full interview with Ant Middle on the 2023 achievements & performance in the UK.

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Our unwavering commitment to our customers, bolstered by a focus on enhancing our standout capabilities, has propelled us closer to our vision of being a premier personal lines insurer in the UK. Our progress reflects the dedication of our exceptional team and the steadfast support of our valued partners.

Ant Middle,
CEO UK

Asia

We are two thirds of our way through Impact24, and we are comfortable with achieving our main goals – driving change and improving the long-term sustainability of our business. We have a good plan. We have a great team. Execution is solid and we have strong prospects for the future.

Gary Crist,
CEO Asia

28.4 million customers

EUR 8.2 billion gross inflows

300,000 agents and brokers

2023 performance

The Group recorded a strong commercial performance in Asia over 2023 with **inflows** up 8% at constant exchange rates. The growth was driven by a good sales momentum in Life, with high new business sales in China in the first half of the year and solid renewals in the second half. In Non-Life, inflows were up 3% at constant exchange rates, supported by strong sales in Malaysia and India. New Business contributed EUR 578 million to the CSM, resulting in an Operating CSM movement of EUR 289 million.

The **Net Operating Result,** which amounted to a solid EUR 544 million, included a EUR 42 million negative impact from the adverse evolution of the foreign exchange rates. Last year's net operating result benefitted from the positive contribution of realised capital gains, a favourable claims experience in the context of the covid lockdown and low tax expenses. The growth of the business and the strong operating performance translated into an Operational Capital Generation of EUR 1,127 million.

Read the full interview with Gary Crist on the performance and progress against the Impact24 strategy of our Asian entities.

Reinsurance

EUR **101** million Net Operating Result

Team of **30** highly skilled and experienced people

2023 performance

Reinsurance protection **inflows** increased thanks to new non-proportional external premiums related to the third-party reinsurance business via Ageas Re.

The **combined ratio** of the Protection business improved to 84.1%, compared to 103.3% in 2022 thanks to significantly lower claims.

The total **Net Operating Result** of the Reinsurance segment increased to EUR 101 million significantly up compared to last year mainly thanks to business growth and benign weather, while last year's result was significantly impacted by adverse weather in Belgium and the UK.

The growth of the protection business develops fully in line with the business plan thanks to the successful 1 January 2024 renewal campaign with Ageas Re writing EUR 108 million compared to EUR 29 million last year. This shows that Ageas Re is already today a very well-respected trading partner for clients and brokers in Europe and abroad. With the focus on diversification, the product mix is now more balanced between property and casualty lines.

I'm very proud of the dedication of the highly experienced team of reinsurance experts that we have been able to build, thanks to whom Ageas's Reinsurance business is developing ahead of plan and Ageas Re is already today a very well-respected trading partner for clients and brokers in Europe and abroad.

Antonio Cano,
MD Europe

Read the interview with Joachim Racz, Group Director Reinsurance, on Ageas's ambitions in Reinsurance.

4

Strategy and business model

Ageas's 3-year strategic cycle Impact24 kicked off in 2022. The plan aims to steer Ageas towards long-term sustainable growth, built on the Group's well-diversified profile and strong core franchises.

A unique business model

Out of its group-wide purpose and values, a clear set of strategic choices and unique business model, Ageas aims to create value for all its stakeholders: customers, employees, partners, investors, and society.

Strong fundamentals

Ageas has a clear purpose to be a **'Supporter of your life'** and puts forward a set of core aspirational values: **Care, Dare, Deliver and Share.** These describe the behaviours and principles that represent who Ageas is and how it works.

Ageas offers **Life and Non-Life** solutions to millions of **Retail and Business** customers and is also engaged in reinsurance activities. Ageas helps customers to anticipate, manage and cover their risks through a range of products designed for their needs today and in the future. By developing products and services beyond insurance, the company also aims to respond to new needs and priorities in a rapidly changing world.

Active in **13 countries across Europe and Asia,** Ageas is distinguished by its **expertise in partnerships.** Ageas has developed long-term agreements with market-leading local partners, financial institutions and distributors allowing it to stay close to the customer. Ageas will continue to strengthen those partnerships and is gradually exploring to move in ecosystems that provide mutual benefit, now and for the future.

It goes without saying that Ageas can only deliver on its promises with the support of appropriately **skilled and committed employees and capital provided by shareholders.**

Ageas, alongside others in the sector, operates in a dynamic legislative and regulatory context, taking into account Solvency II, Mifid, and the updated IFRS reporting standards, GDPR data protection regulation, EU taxonomy and SFDR. Regulation or voluntary frameworks also extend to the UN Principles for Responsible Investments (PRI), UNEP FI Principles for Sustainable Insurance (PSI), The United Nations Global Compact (UNGC) and Sustainable Development Goals (UN SDG) and principles around climate change such as the Task force for Climate related Financial Disclosures (TCFD) guidelines. The Corporate Sustainability Reporting Directive (CSRD) will come into force as of the accounting year 2024.

Different business activities

Ageas's business model generates several types of income streams:

- **Insurance underwriting**: These results come from the inflows from the collected insurance policy premiums minus the claims and related expenses. The essence of insurance is the pooling or mutualisation of the risk of insured individuals or corporates brought together into a larger portfolio of insured assets. The customer pays single or regular premiums to cover risks related to Life, Home, Car, Travel, and more specific type of risks which Ageas insures. Ageas in turn pays out claims in case of an adverse event. Fee income may also come from other sources in services beyond insurance.
- **Reinsurance underwriting**: Ageas set up an internal reinsurance activity in 2015 which allows it to pool group reinsurance protection, retain a part of the risk coverage for its own account and manage the diversification benefits intrinsic to its solvency framework. In 2020, ageas SA/NV also started to participate in existing Non-Life reinsurance programmes of its operational companies with the ambition to further develop the reinsurance expertise and exposure. Ageas started underwriting reinsurance activities for third parties, operating under the brand Ageas Re in 2023.
- **Investments**: The investment of premiums into revenue generating assets, such as government or corporate bonds, loans, equities, or real estate, generate additional financial returns. The Group invests in a wide and diversified set of assets spread over many industries. In that way, Ageas actively supports the economy and society while generating a financial return that benefits in first instance its policyholders, and in a second step flows back to its shareholders or debtholders.

Ageas's business model

OUR PURPOSE

Supporter of your life

OUR VALUES

CARE DARE DELIVER SHARE

INPUT

- Financial capital
- Human & intellectual capital
- Relationship & social capital
- Natural capital
- Regulatory context

OUR BUSINESS ACTIVITIES

EUROPE

LIFE
NON-LIFE

ASIA

UNDERWRITING

REINSURANCE

INVESTMENTS

OUTPUT

- Best-in-class customer experience
- Great place to Grow
- Partner of choice for current and future winners
- Sustainable shareholder return
- Growing positive impact on society

Impact24, a long-term sustainable growth strategy

Ageas considers what we do today to be a stepping-stone towards where we see ourselves in the future. The choices and investments we made with Impact24 are not just for the next three years but for the years that follow on through 2030 and beyond.

Long-term thinking

The Group's internally developed Horizon Scan, using human and artificial intelligence, allows Ageas to continuously monitor the most significant emerging trends and risks, which have served as the backbone of our strategic reflections around the Impact24 plan.

Impact24 provides Ageas with a clear direction going forward, but also allows for flexibility to act upon a range of available global opportunities, changing local market and environmental dynamics, and different evolving scenarios along the way. The plan foresees in risk adjustment and investments in future trends that are likely to impact the world, not only by 2024 but even by 2030 and beyond. By acting today, the Group can ensure that tomorrow it remains relevant for its customers and a leader in the markets in which it operates.

Growing the business

IIn developing Impact24, Ageas continued to recognise the benefit of a well-diversified and well-balanced portfolio, and the resilience this brings to the Group.

Firstly, the plan aims to unlock the full potential of the Core, the existing activities of the Group. This includes taking a **growing share of the market** within each country and **improving our distribution and commercial excellence** for our customers. The further deployment of **technology and data** and enhancement of the **operational efficiency** allow to progress and deal with fluctuating market dynamics.

Secondly, to fuel additional growth, Ageas focuses on opportunities in adjacent business where Ageas has the capability to participate and create impact. **Home, Mobility and Life & Savings** are some of our local companies' priorities. The Group stimulates the groupwide development of new engines with opportunities for growth in the long run: **Health, Protection, Digital Platforms and Reinsurance.**

Finally, the Group's resilience is ensured through its unique footprint – a mix of geographically spread mature markets and high growth markets. In Impact24, Ageas confirms its belief in **local empowerment** allowing it to stay close to its customers in each market, underpinned by Group synergies where it creates additional value. The Group will continue to **strengthen its market leader positions in Europe and Asia,** with an increased focus on Non-Life, Health or Life protection. New capability or distribution partnerships will support the Group in venturing into new areas of growth.

Putting Sustainability at the heart

Ageas recognises it has a duty of care and responsibility to today's and future generations. Through the Impact24 plan, Ageas wants to have a positive and lasting impact on the lives of the people it works with – employees and partners – and the people it works for – customers, investors, and society at large. That is why sustainability needs to sit at the heart of everything Ageas does.

Moving forward, Ageas intends to concentrate on four areas of impact where it can best leverage its expertise and make the greatest difference, backed by clear targets:

- **People**: Creating a Great place to Grow for employees.
- **Products:** Increasing the offer of transparent products and services that create economic and societal value, stimulating customers in their own journey and transition towards a more sustainable and inclusive world.
- **Planet:** Reducing the environmental impact across the globe.
- **Investments:** Strengthening the Group's responsible investment approach and contributing to solutions around societal issues.

In this context, Ageas is underwriting the UN Principles for Responsible Investments and Net Zero Asset Owner Alliance (NZAOA) for its investments, the UNEP FI Principles for Sustainable Insurance for underwriting and is a signatory to the UN Global Compact. And Ageas made a commitment to adhere to the UN Sustainable Development Goals (UN SDGs). Based on Ageas's core competences, it chose to actively work around the following ten SDGs.

For more info on the Sustainability ambitions, please refer to chapter A5.

Delivering on promises

Impact24 is designed to deliver a top performance for all stakeholders. Accountability is ensured through clear financial, operational, non-financial and sustainability targets and KPIs, allowing Ageas and its stakeholders to track the Group's progress in a disciplined way. The targets strengthen Ageas's commitment to create both economic and societal value. Please refer to chapter A3 for an overview of the performance on these targets during the second year of Impact24.

Find out more about Ageas's strategic plan on our dedicated Impact24 website

5

Sustainability at the heart of everything we do

5.1 Embedding sustainability in our business

As an insurance group, Ageas activities are at the heart of a number of societal themes which are very much present in all our lives. An ageing population, health related matters, new forms of living, mobility, and climate change, all create risks and opportunities for Ageas's businesses.

Ageas's strategy, Impact24 aims to create value for all its stakeholders whilst taking into account the specific needs and challenges of the various countries Ageas operates in. It puts sustainability at the heart of the business as a strategic choice. Clear ambitions and targets have been defined and this plan acts as a guide to the entire Group to ensure that managing the company in a sustainable way is fully embedded, bringing to life the DNA of the company.

The sustainability ambitions have been clustered around four impact areas, i.e:

- Our People;
- Our Customers;
- Our Society;
- Our Planet.

Our ambitions are that:

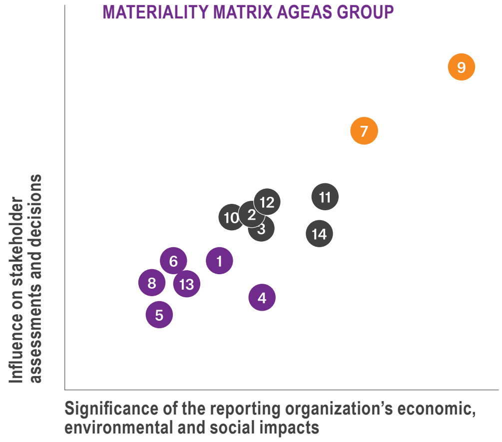
- We will work towards creating a diverse workforce, ensuring fair and equal treatment of our employees, fostering a culture of continuous learning and taking care of the health and wellbeing of our people.
- We will offer transparent products and services that create economic and societal value, stimulating our customers in their transition towards a more sustainable and inclusive world.
- We will strengthen our long-term, responsible approach to how we invest, contributing to solutions around sustainable cities, local economies, and climate change.
- Across the Group, we will reduce our environmental impact, with the aim to be 'GHG-neutral' in our own operations.

This chapter deep dives into each of these impact areas and the progress made in 2023, a year in which Ageas could proudly announce another sustainability target being reached. Furthermore, it includes Ageas's EU taxonomy reporting and concludes with Ageas's approach to responsible governance and philanthropy. It also provides at the end of the chapter an extended overview of the performance on all relevant sustainability and non-financial performance indicators.

Ageas's materiality assessment reconfirmed through local materiality assessments

To gain detailed insight into the sustainability topics that are most relevant for the business, Ageas performed its first materiality assessment in 2020 applying a double materiality approach when selecting the list of topics stakeholders had to assess on their importance to the future of the Ageas Group (Learn more about how Ageas went about this in the 2020 Annual Report). The outcome of this ESG materiality assessment at Group level is presented in the following materiality graph:

MATERIALITY MATRIX AGEAS GROUP



HIGHLY MATERIAL TOPICS
9 Financial resilience
7 Responsible governance

MATERIAL TOPICS
11 Insurance products and services protecting against societal challenges
14 Social responsible investments focusing on societal challenges
12 Easy to understand, fair and transparent information to customers
2 Health and well-being of our employees
3 Personal and professional development of our employees
10 Insurance products and services incentivising responsible behaviour

MODERATELY MATERIAL TOPICS
1 Environmental footprint of our business operations
4 Equal opportunities of our employees
6 Employees and customers' data protection
13 Financial inclusion of customers (accessibility of protection)
8 Local community engagement
5 Public debate participation on societal challenges

Building on insights from the Group materiality assessment, AG in Belgium and Ageas Portugal conducted their own materiality analysis in 2021. AG extended the scope of its engagement to customers, both retail and corporate clients, by more than 2,000 respondents, a stakeholder group that was only indirectly covered in the Group assessment. The outcome for both assessments is aligned with the Group outcome, while some topics got a slightly higher or lower position on the materiality matrix, reflecting the local societal realities. Compared to the list of material topics at group level, each subsidiary identified and retained a few additional material topics, considered more significant to the respective local stakeholders. In Portugal, these concerned “sustainable and efficient processes” and “investment in the community” and although the score of “sustainable procurement and partners” was not among the highest, AG considers it as an area to develop given the potential impact.

Ageas conducted its CSRD compliant double materiality assessment in the second half of 2023 and is now consolidating the outcome which will serve as input for Ageas’s next strategic exercise. At first sight, the outcome of the first materiality assessment is largely re-confirmed in this new materiality assessment. Detailed insights of the process and outcome will be shared in the next annual report in accordance with the CSRD reporting requirements.

Governance

Implementation of the Impact24 strategy is under the lead of the Chief Development and Sustainability Office (CDSO), having oversight over all transversal initiatives in the domains of technology, business development and sustainability across the Group. CDSO has a seat on Ageas’s Management Committee. In addition, since September 2021, a dedicated Steering Committee chaired by the Group CEO oversees all discussions and preparation of decisions that may arise during the implementation of the various sustainability ambitions. As from April 2024, the Executive Committee will be enlarged with a new function, Managing Director Business Development, which among other things will encompass sustainability.

Regular presentations and updates have been provided to the Executive Committee and Management Committee as well as to the Board of Directors, both on the overall progress as well as on more technical aspects, to enable and stimulate the accumulation of expertise up to the highest level of the organisation. As an example, a dedicated session to share an update on the status of the strategy implementation, upcoming CSRD legislation with amongst others a detailed discussion on activities in scope, outcome of the new Double Materiality Assessment and ESG ratings was organised with the Board.

Within the Board, the four subcommittees each take up a specific role related to sustainability. The Nomination and Corporate Governance Committee makes recommendations on environmental and societal matters alongside governance matters and non-financial KPIs; the Remuneration Committee advises on how to include sustainability in the performance KPIs (for more information see note A 6.7 Report of the Remuneration Committee); the Risk and Capital Committee follows-up on defining and monitoring ESG risks (see note C Risk Management), and finally the Audit Committee has responsibility for assessing, reviewing and approving the Annual Financial Statements including the non-financial information disclosures.

The central Group Sustainability department has a pivotal role in defining and implementing the sustainability strategy in conjunction with strong local, decentralised involvement delivered through a network of ambassadors.

These ambassadors represent the various businesses, main subsidiaries, and the most relevant central departments. Aside from the commercial businesses represented, i.e., Belgium, UK, Portugal, India, Türkiye and the Asian regional headquarters covering all the Asian countries, the network includes ambassadors within the domains of Risk, HR, Communications, and Investments. This team has over the past few years driven the various initiatives taken across the organisation. In addition to the Sustainability network, colleagues from other departments involved such as Legal, Compliance and Finance representatives also intervened on a more ad hoc basis to introduce specific competences which contributed to even better and more balanced solutions, ensuring a smooth and fast integration of the relevant sustainability principles in the daily processes. This model has proven to be very successful, leading to a first wave of significant achievements and progress and a proper and timely implementation of all relevant upcoming legislation.

Scope and set-up of the sustainability disclosures

Disclosures are in accordance with the EU directive on non-financial information, national ESG related legislation and regulatory recommendations such as the Euronext guidance on ESG reporting issued in January 2020. Disclosures elaborate on the progress made in each impact area linked to the outcome of the ESG materiality survey conducted in 2020. Where possible and appropriate, Ageas also provides qualitative information over and above the progress against targets.

The information and data in the Annual Report are prepared in accordance with the GRI Universal Standards 2021. These standards represent global best practice for public reporting on a variety of economic, environmental and social impacts. Sustainability reporting based on the standards provides information about an organisation’s positive or negative contributions to sustainable development. The GRI content index (see note E) shows against which indicators Ageas reports, and where to find the respective information. Ageas continues to apply the principles of Integrated Reporting wherever possible. This chapter includes in note 5.6 the reporting under EU taxonomy, more specifically on the taxonomy aligned and eligible activities and investments.

Ageas is a signatory to United Nation Global Compact and underwrote the Principles of Sustainable Insurance and continues its commitment to reporting under TCFD. All progress reports are included in the form of reference indices in this Annual Report in note E Other Information.

More information on Ageas’s strategy and business model can be found in note A.4 of this report; ESG risks are addressed in the note C Risk Management.

The present report covers the entire Ageas Group and matches the scope of consolidation used for financial information in the consolidated annual report, except for Touring and unless otherwise stated. As the acquisition of Touring was only completed in July 2023, the collection of sustainability and non-financial metrics is currently in execution.

Refer to the reporting page on Ageas’s sustainability website for up to date information on our efforts to meet the non-financial expectations of stakeholders.

5.2 Our employees

Impact24 targets

- Glass ceiling index
  - ratio% women in senior management / total % of women in company – 70%
  - balanced (M/F) succession pipeline Top 800 – 50/50
- Gender diversity index – equal participation of women at decision level – top quartile
- Employee NPS – top quartile
- Impact24 skills plan – 100% achieved

In 2023 the headcount of Ageas's consolidated entities grew by more than 10% mainly thanks to the organic growth in AFLI and the acquisition of Touring in Belgium.

Impact24, Ageas's sustainable growth strategy, transcends mere numbers and charts. It's a cohesive, fully integrated plan that propels Ageas toward a future where sustainability, innovation, and inclusivity intersect.

The company recognizes that its people are the cornerstone of this journey. At the heart of the strategic vision lies the commitment to foster a workplace where growth is not just a goal, but a shared reality. Hence, Ageas's HR mission to be 'a Great Place to Grow' is twofold: to be a beacon for professional growth and to cultivate an inspiring, inclusive environment for all employees.

The ambition to be 'A Great place to Grow' drives Ageas in building an attractive Employer Brand and in delivering a great Employee Experience, in an extremely challenging environment given the scarcity of talent. As such, while a major focus remains on the delivery of its operational HR and the development of HR technology and People Insights, Ageas HR has also defined a number of focal points within the broader HR plan:

- Diversity & Inclusion
- Employee Engagement & Employee Experience
- Talent Management & Talent Attraction, Retention and Development
- Health & Wellbeing

5.2.1 Diversity & Inclusion

	2023	2022
Glass ceiling index		
Ratio% women in senior management / total % of women in company	65%	57%
Balanced (M/F) succession pipeline top 800	62% - 38%	63% - 37%
Gender diversity index – equal participation of women at decision level	0.87	0.75

Ageas is committed to ensuring that its organization is both diverse and inclusive.

It considers a diverse and inclusive workforce as key in having the best possible people to interact with, and deliver for its customers, and consequently it is a critical element of its People and ESG commitments.

At Group level Ageas has a D&I strategy, which aims to deliver an inclusive workplace for all no matter their sex, age, gender identity, disability, ethnicity, nationality, sexual orientation etc. All the operating companies have put in place a D&I strategy, supporting both local objectives as well as Group targets.
This strategy includes Ageas's Global Diversity Forum, made up of representatives from Ageas's businesses across the globe (including some of its joint ventures), which continued to meet throughout 2023. This forum spearheads efforts to deliver on the Impact24 diversity targets, and shares examples of best practice across the business.

A few examples of the many local D&I initiatives include the following:

- AG ran its first Inclusion Week with almost 1.000 employees engaging in keynotes, panel discussions, workshops, and theatre shows about D, E & I, focusing mainly on awareness, as a first step towards being a fully inclusive employer. AG has also developed an inclusion module as part of its leadership track.
- AG, being a Great Place to Grow for All, in collaboration with 'Onbeperkt Jobstudent' hired students with disabilities or neurodiverse conditions. After one week of on-site onboarding, they provide support to the AG team a few hours per week, remotely, with administrative tasks.
- Ageas Portugal established six employee Resource Groups covering gender, ethnicity, LGBT+, work/life balance, disability & neurodiversity, and age, with 95 people already signed up.
- Ageas Portugal has also implemented D&I training for all employees, managers, and executive committee members, ensuring that everyone understands and embodies inclusive values via an experiential journey.
- Recognizing the importance of diverse talent in driving success, Ageas Portugal and Ageas UK are working with external partners in inclusive recruitment. These collaborations aim to increase the pool of diverse candidates by tapping into communities traditionally underrepresented in the company.
- Ageas UK achieved Disability Confident Leader status, a government accreditation awarded to companies who can demonstrate the highest levels of inclusion for colleagues with a disability or neurodiverse condition.
- AG Real Estate ran employee surveys and focus groups to help shape their new D&I strategy.
- A series of D&I training sessions were organised for 75 colleagues in the Asia Regional Office.
- The head office in Belgium and the Asia Regional Office in Hong Kong employs a high number of different nationalities, creating an environment where diverse culture and backgrounds allow people to learn from each other and together build a multicultural, diversified, team in line with the international profile of Ageas.

Addressing the representation of a diverse workforce in all layers of the organization is the focus of the D&I strategy, with particular attention still on female representation at senior management level. In the Impact24 strategy, KPIs were set to measure the progress in this area.

In 2023 Ageas has made good progress against these targets, including a Glass Ceiling Index score of 65% (the proportion of women in senior management as a proportion of women overall), up from 57% compared to 2022 and a Gender Diversity Index measuring the female representation at Board and Executive Management up to 0.87 from 0.75 in 2022.

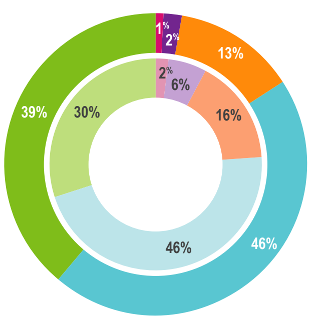
Several actions have been continued while some new actions have been initiated to further strengthen these objectives:

- External partnerships with European Women on Boards and Women in Finance were further established. Talented female managers are given the opportunity to enrol for the development and mentoring programmes offered by European Women on Boards.
- Ageas is piloting an internal mentoring programme for women in the Top 300 where the participants are mentored by senior Ageas leaders.
- Sessions with Executive managers to hear how they developed their careers and what roles at that level involve are organized for senior women.
- Providing Gender Equality reports for all entities, including the Gender Pay Gap, which shows the difference between the average male salary and the average female salary. Analysis overall does not show an inequal pay for equal work, but rather an over-representation of female employees in lower-paying functions, and an under-representation of female employees in higher-paying functions.
- Running two further cohorts of the ‘WIN' development programme for future female leaders. Close to 40 senior women have now been through the global version of this programme. Local versions of the ‘WIN' development programme for women in mid-management roles are being developed in Portugal and Belgium, while the UK continues to run two cohorts (of circa 25 people) a year.

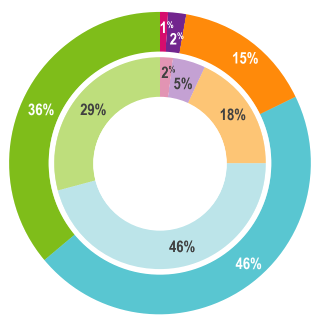
And finally, to achieve a consistent view across the Group, the operating companies follow-up on two D&I statements in their annual employee engagement survey:

- "Ageas has an inclusive culture, where everyone is able to fully participate".
- "Ageas values diversity, and provides opportunities for everyone to achieve their potential".

These statements achieved an approval rate of 85% and 82% respectively (vs 76% and 75% respectively last year).



Ageas has an inclusive culture,
where everyone is able to fully participate



Ageas values diversity, and provides opportunities
for everyone to achieve their potential

2022 2023 Strongly Disagree(%) 2022 2023 Disagree(%) 2022 2023 Neither(%) 2022 2023 Agree(%) 2022 2023 Strongly Agree(%)

5.2.2 Employee Engagement & Employee Experience

	2023	2022
eNPS*	62.9	56.0
eNPS - consolidated entities	67.4	56.7

**scope is consolidated entities and the following JV's: Turkey, Vietnam and the Philippines*

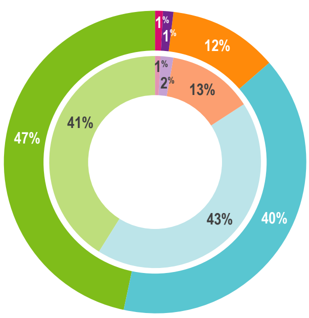
Annually, Ageas conducts a group-wide employee engagement survey. In 2023 engagement levels were once again high, and the outcome shows the increasing trust and confidence employees have in the company.

With an Employee NPS (eNPS) score of 67.4 for the consolidated entities, Ageas positions itself in the top quartile of the benchmark. Participation and engagement rates varied by OpCo but remained high across Ageas Group, with an average participation rate of 82.8% and an employee engagement score of 79.3 (vs 87.8% and 78.4 respectively last year).
The percentage of people agreeing and strongly agreeing with the six common statements in the survey further increased except one.

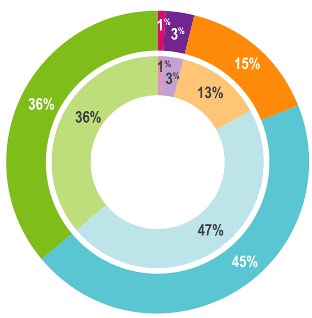
Over 2023 there has been a stronger focus on enhancing the employee experience and supporting the lives of employees as a whole, both at and beyond work. While building an Ageas customized response to the challenges of the Future of Work, HR teams have prioritized all aspects of Employee Experience and Employee Engagement and have made significant headway.

At the same time, employee participation in engagement activities remains high and Ageas is building an increasingly collaborative culture where employees can actively share their voice and contribute ideas to further enrich working life at Ageas.

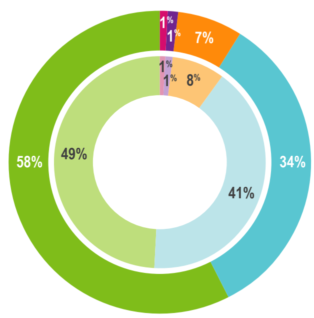
2022 2023 Strongly Disagree(%) | 2022 2023 Disagree(%) | 2022 2023 Neither(%) | 2022 2023 Agree(%) | 2022 2023 Strongly Agree(%)



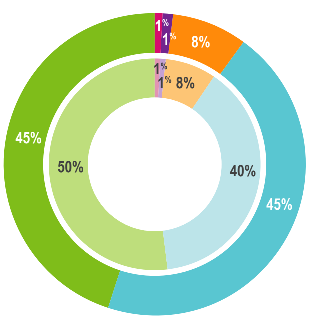
I am proud to be part of this organisation



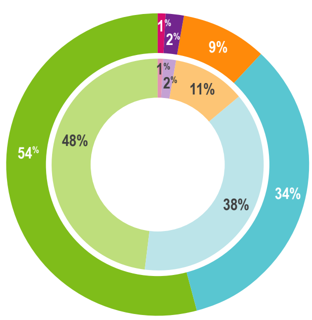
I enjoy the challenges my work offers me



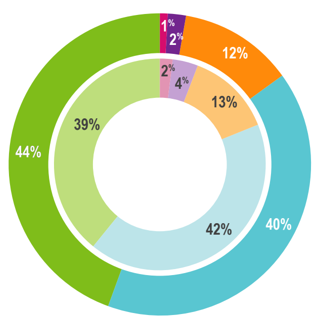
I am prepared to go the extra mile



I enjoy working with my team



I have trust and confidence in my manager



I recommend my organisation as a place to work

5.2.3 Talent Management & Talent Attraction, Retention and Development

The talent management approach in support of the Great Place to Grow strategy is centered around 4 pillars.

A. Recurring Skills-assessment ensuring our people are equipped with the necessary future-proof skills to perform at their best.

The Impact24 skills plan focuses on the leadership and behavioral skills needed to become a 'Great place to Grow'; on the commercial and digital expertise to Grow the Core; expertise in ecosystems and platforms to develop new Growth opportunities; and on proficiency in sustainability. This is reflected through annual capability assessment done to identify common development topics across the group.

This analysis is used to feed the Ageas Academy catalogue and the functional learning initiatives in and between the different entities.

B. Transparency on Career & Mobility: revealing & supporting career aspirations and stimulating a culture of mobility.

After the launch of the career preference template in 2022, a standard template to indicate career preferences was introduced in three operating companies facilitating the structural sharing of career information and integration. Around 1,500 employees have completed the questionnaire to trigger the conversation about their career aspirations. Furthermore, this approach is now structurally embedded in the HR processes, such as talent reviews, development planning and target setting.

In addition, the Ageas Management Committee made a commitment to have a conversation with all Top 300 employees in the following 3 years to demonstrate the importance of conversations that cover challenges ahead, career aspirations and development needs. In 2023, 50 people already had such conversations.

In the same spirit, C-level speakers were involved in 20 career sessions to share their personal career story and provide career guidance based on their own experiences.

C. Solid Succession Planning: Ageas generates a robust global and diverse leadership pipeline for critical group positions.

In view of talent identification, talent retention and succession, Ageas has put continued effort into

- Establishing succession plans for senior management to ensure operational continuity and bench strength
- Identification of a gender balanced talent pool with the potential to be part of the future leadership positions in the group;
- Identification of functional talent pools across Ageas entities to strengthen the respective succession plans, adding potential successors to the local plans;
- Functional talent conversations and talent reviews to broaden the talent management actions with opportunities in the Group, such as cross-entity mentorships, international assignments, and participation in Academy programmes;

D. Continuous Learning & Development: offering tracks to develop, advance and retain talent and enhance the diversity in its leadership population.

As every year, the Ageas Academy continued its investments in leadership skills to support the delivery of the Impact24 strategy by providing

- The 'Leading for Growth' programme for the Top 300 on engaging in powerful conversations, giving and receiving feedback and taking accountability;
- The Ageas Leadership Programme for potential future leaders tackling leadership behaviours, strategic thinking and projects on topics such as ESG Funds, e-commerce digital platforms, micro-insurance and the use of drones in insurance processes;
- 'Connecting Ageas' with monthly virtual onboarding sessions by Ageas C-level representatives for new joiners in the Top 300.

In support of the other critical skills and capabilities the Ageas Academy developed supporting programmes, such as

- A Hackathon on sustainable products: in support of the target to reach 25% of GWP from sustainable products in 2024, 60 product developers from across all entities gathered to define new value propositions;
- Exploration Treks: virtual sessions with strategically curated speakers to gain outside-in perspectives on the following topics: 1) Digital Platforms, 2) CX and data driven customer journeys, 3) ESG Strategy.

In the delivery of its catalogue, the Academy has long lasting partnerships with renown providers such as Vlerick Business school in Belgium, Nova SBE Executive Education in Portugal, European Women on Board, etc. In 2023 the Ageas Academy added the online development opportunities from Harvard Business School to the catalogue to allow scalable and cost friendly access to dedicated courses.

In addition to the Group development programmes, there are some local initiatives worthwhile mentioning.

One outstanding example is the AG College – a creative approach to identify and employ new colleagues in the scarce market for talents. The AG HR Team, the AG Business Academy and Fopas collaborated in designing and delivering a training trajectory, targeted at enthusiastic candidates who did not obtain a degree in higher education They are assessed on their mindset and are offered an intense, 6-month training and education to become full-fledged File Managers at AG.
This initiative responds well to the high-volume recruitment challenge that AG faces in Belgium. Overall, AG hired more than 400 new employees over 2023, envisaging the recruitment of at least another 350 employees over the year 2024.

And to support growth within the UK business, Ageas UK needed to attract a large number of new Claims handlers and technical pricing analysts. It re-evaluated its ways of working across both disciplines and successfully offered these roles as fully remote . It experienced a higher than usual number of applications for these roles and since introducing fully remote working, Ageas UK reported no reduction in productivity but improved retention rates. At the same time, HR and the business continue to review these roles to ensure people remain connected and engaged.

5.2.4 Health and well-being

Embracing the role of a 'Life Supporter' extends beyond valued customers; it equally encompasses Ageas's dedicated employees. Its commitment to a 'People First' culture drives the company to introduce fresh health and well-being initiatives across all local and group-wide entities. Throughout Ageas Group, a workplace where every individual thrives is nurtured.
In 2023, the sustainability angle introduced in 2022 was further developed throughout the whole programme of the Ageas Challenge.

The annual triathlon initiative moved from Lisbon to Paris, where around 90 Ageas employees participated in the Garmin Triathlon de Paris. Since 2019, the Garmin Triathlon de Paris has been awarded the Accessible Sport and Sustainable Triathlon Label. This label is used to highlight organisations that adopt a sustainable approach and implement concrete actions, for example waste management at the event village and finishing line zone; retrieval of shoes left by competitors at the start of the swimming section by the association Les Pinces à Linge, specialised in cleaning and rehabilitation of shoes for the most underprivileged; distribution of remaining food at the end of the event; etc.

Of course, there were also some more accessible virtual team challenges through the year. Ageas kicked off 2023 with the Green Offices Challenge. While participants virtually walked from one Ageas entity to another, they discovered the sustainability efforts taken in each entity. And the Tour de France challenge - during which virtual teams ride the same distance as professional cyclists in the same period - became a little bit longer, including also the female edition, Tour de France Femmes.

In addition to the global, group-wide Ageas Challenge, there are numerous initiatives locally, with a focus on all aspects of wellbeing - from financial to physical and at different life stages, such as the introduction of menopause guidance; increased paternity leave; access to thematical leaves; and offers of free health checks across different sites.

5.3 Our products

Impact24 targets

- Percentage of GWP from products that stimulate the transition to a more sustainable world - 25%
- Percentage of products that have been reviewed for transparency - 100%
- Customer NPS - Top quartile

Ageas set these targets in response to stakeholders' expectations established in the materiality assessment:

- Insurance products and services protecting against societal challenges
- Easy to understand, fair and transparent information to customers
- Insurance products and services incentivising responsible behaviour

The world continues to change at pace. Customers are increasingly looking to their insurers for help in reducing and even preventing the risks that pervade their lives. These risks centre largely on their home, car, health, and financial well-being. As a global insurer, Ageas plays a role in protecting its customers against adverse events so that people can continue to live, save, and invest with peace of mind. Living its purpose – 'Supporter of your life' – means going beyond this primary duty and making sure people can live their life to the fullest.

Across the Group, Ageas serves close to 47 million customers directly or indirectly in 13 countries across Europe and Asia through a combination of wholly owned subsidiaries and long-term partnerships with strong financial institutions and key distributors. Ageas offers Retail and Business customers Life and Non-Life insurance products designed to suit their specific needs, today and tomorrow.

With Impact24 unfolding at full speed, Ageas is moving beyond its targets with a view to embedding sustainability by design in all its products and services as illustrated by the many examples that bring this ambition to life in the different businesses of Ageas.

5.3.1 Products that stimulate the transition to a more sustainable world

% of gross written premiums		2023	2022
Total		28%	21%
Of which	Life	34%	22%
	Non-Life	22%	19%

Ageas put sustainability at the core of its business to innovate, understand risk, drive growth, and build a more inclusive and sustainable future for the long term, combining economic success with added value for society. By offering products and services that stimulate customers in the transition to a more sustainable world, Ageas aims to create a positive impact on society.

To drive this ambition, one of the non-financial KPIs put forward within Impact24 was the "% of gross written premiums (GWP) of products that stimulate the transition to a more sustainable world". Since no legal definition or benchmark exists in the market, Ageas defined its own methodology. All products and services were screened to identify sustainable features across the entire value chain. Only those characteristics that incentivise customers towards more sustainable behaviours meet Ageas's definition, resulting in a starting point of 16% of GWP towards an objective of 25% within Ageas's consolidated entities by end of 2024.

This mutual understanding and methodology of what sustainability looks like created a momentum in the business, enabling further growth of the ESG portfolio. A roadmap was developed to spark creativity and inspiration, with a.o. external benchmarking exercises, an ESG catalogue with best practices from the different Ageas markets and a hackathon to fuel innovation. This two-day event brought together sixty plus participants including underwriters, actuaries, and product developers from different countries around five societal themes: savings, well-being, green mobility, sustainable housing, and inclusivity. In addition to educating the audience on ESG product design principles, the goal was to identify ways to build scalable product propositions, generate brand-new concepts and look for ways to adapt the existing portfolio. Proof of concepts in many different areas have been launched including the use of digital solutions to come to state-of-art business solutions contributing to our sustainable product ambition.

The EU sustainable development agenda also impacts the financial sector with an aim to channel private investments into the transition to a climate friendly and fair economy leaving no one behind. The EU Sustainable Finance regulation with Sustainable Finance Disclosure Regulation (SFDR) and Taxonomy consists of disclosure requirements on service and product levels to standardise and create more transparency on sustainability performance. These regulations provide an additional incentive on top of the strategic choices made by Ageas, broadening its offer towards more impactful and responsible products.

From a starting point of 16% at the end of 2021, Ageas moved to 28% by the end of 2023 with value propositions corresponding to the definition identified across all business lines and across all markets in which Ageas is present, although only consolidated entities count towards the KPI. As described in the chapter below, each market has its best practices, some of which could be transferred to other geographies.

LIFE BUSINESS

In Belgium, AG has been showing leadership by evolving almost exclusively towards responsible investment products including pensions, long term savings and unit-linked products. In total, nearly 100% of AG products qualify as category Article 8 or Article 9[1] under the Sustainable Finance Disclosure Regulation (SFDR). And many products of AG are going beyond this regulation, respecting stricter ESG criteria such as the requirements of the Towards Sustainability label or a more specific focus on environmental, climate or social themes. More specifically, AG closed 2023 with 42 products attaining the Belgian Towards Sustainability label[2], representing almost 20% of the products "pension, long term savings and investment insurance". A very strong result considering that the requirements of this label are getting more demanding over time. Only those products with stricter criteria contributed to the 25% target. In 2023, the total amount of GWP included in the KPI further increased mainly thanks to new guaranteed (branch 21) products having obtained the label 'Towards Sustainability' in combination with the benefits of a temporary guaranteed return campaign.

ESG funds are also gaining traction in Ageas's other consolidated Life markets. In Portugal, a 100 % digital savings product, Easy Invest was launched, offering the opportunity to subscribe for low amounts and to switch between three portfolios with different risk profiles. These characteristics extend the reach to those people that would otherwise not have access to this savings universe making them more financially literate and providing the opportunity to save for later.

In the non-consolidated markets, in Türkiye, AgeSA offers in its pension business the Sustainability Equity Pension Fund among others which invests in companies whose superior environmental, social and governance performance qualifies them for inclusion in the BIST (Borsa Istanbul Sustainability Index). Via the Digital Fund Management Service (FonPro), AgeSA makes it easier to invest via an accessible platform educating and empowering its customers. And AgeSA goes one step further by providing solutions that meet the medium-term savings ambitions of customers with the imminent need for protection. To face the high inflation and economic uncertainty resulting in among others massive unemployment, AgeSA launched a product offering an unemployment guarantee linked to life credit protection. For instance, unpaid periods can be paid at the end of the policy period and premiums can be adapted when needed. Around 100,000 customers a month are subscribing to this feature.

Most of Ageas's businesses in the Asian market also offer sustainable investment options to their clients. But in this region a lot of attention also goes to developing solutions towards the **underserved communities** in an effort to support long term savings and to **close the protection gap**.

In India, Ageas Federal Life Insurance, launched a digital sales channel. Via this channel, AFLIC is offering easy and affordable microinsurance and credit life protection products introduced via partners having access to the most vulnerable members of society. This is the case with the Bima Group offering was able to onboard various microfinance institutions and present micro credit life coverage into micro-loans. Within just ten months, more than 500,000 lives[3] were insured providing insurance cover for those who need it most. Ageas Federal Life also contributes towards the regulatory initiative to build a base pension plan with the Ageas Federal Life Insurance Saral Pension, an annuity product that caters to those who are less financially savvy. Also, in line with the Insurance Regulatory and Development Authority of India (IRDAI) vision of "Insurance for All by 2047", a comprehensive State Insurance Plan is underway to increase insurance penetration. The focus is to move towards the underinsured segments of the country's population, helping to lower the protection gap and improve insurance density.

In Malaysia, Etiqa set out its ambition to improve the lives of almost 900,000 people by 2025. With 75% of this target already achieved, this ambition is clearly within reach. A range of products and initiatives is putting inclusion at the top of the agenda. These range from microinsurance initiatives targeted at the bottom 40% income bracket to persons living with severe disabilities. In 2023, the offering towards the bottom 40% was further broadened with Rahmah insurance covering accidental death, accidental permanent disability, and funeral allowance, available as a conventional or as a Takaful insurance. In Singapore, similar initiatives were launched in collaboration with Maybank bringing personal accident insurance coverage to families in need.

In Thailand, Ageas's Joint Venture Muang Thang Life (MTL), has several micro insurance solutions characterised by simple product design, easy processes, and affordable low premiums. As an integral part of democratising insurance direction, MTL has been engaging with Line BK, a leading social banking platform to offer small-sized insurance tickets. Additional efforts also went into more transparency and simplifying life insurance vocabulary for a more effective self-purchase journey.

In China, Taiping Life (TPL) is actively participating in government sponsored programmes targeted to people with lower income, building a basic pension and broadening access to health and reaching more than 7 million citizens.

NON-LIFE BUSINESS

When performing the first zero- measurement of the KPI it was clear than many of the Non-Life lines of business by nature contained ESG features. For instance, the repair principle in claims, the automatic inclusion of covers related to electric cars or the various prevention initiatives in Health. The business examples below show how Ageas's new developments are making the offer more robust with an aim to embed ESG by design, and illustrating how progress towards the KPI was achieved moving from an initial result of 14% to 22% in 2023.

The fight against climate change has a significant impact on how society thinks about **mobility**. For example, a growing number of cities introduce access restrictions for cars with high CO2 levels and consumers are increasingly open to new mobility solutions, shifting from owning a car to using alternative transportation options. The insurance sector must follow with solutions. Within the hackathon initiative, three opportunities were identified: multi-modality, e-mobility and circularity which are all being addressed in Ageas's Non-Life businesses.

1 Category Article 8 relates to products that promote environmental and social characteristics whereas Article 9 is for products with a sustainable investment objective.
2 The Towards Sustainability Label is an ESG label for products that stipulates a set of portfolio and process level requirements. A financial product should at least fulfil these requirements to receive the label. They are a mix of exclusion, impact, engagement, transparency and accountability.
3 "Lives insured" does not equal number of new customers

Faced with changing customer behaviours, multimodal solutions are a must. In Belgium, AG for instance, has a dedicated bicycle product with covers for the so called 'soft' mobility devices such as electric scooters and monowheels, which is also one of the broadest covers in the market. With the same mindset of multimodal transport, Ageas Portugal extended its Personal Accident cover to include damage caused to third parties when riding a bike or another "soft mobility device". AG continues to stimulate the behaviour of its customers to leave their cars at home, offering discounts to those who drive less. In addition, AG is supporting the transition to green mobility with partnerships that are increasingly important in building the new ecosystems. A survey indicated that 1 out of 2 families is willing to switch to electrical mobility, but there are still some burdens. Together with its mobility partners Optimile, Touring and SoSimply, AG offers a range of guarantees and services to facilitate the transition to electric driving including:

- easy access to one of the largest networks of public charging stations in Europe via Optimile;
- the possibility of installing customer owned smart charging stations by subsidiary SoSimply;
- a mobile speed-charging service in case of a flat battery via Touring.

In the standard home and private liability insurance policy, the cover for fire and liability at home charging points and a compensation feature in the event of a battery fire, are all included illustrating that AG is systematically adjusting its core offer to respond to emerging needs strengthening protection for its customers.

AG further stimulates the transition by giving a 10% discount, the Ecobonus, for electrical vehicle owners. This Ecobonus is also offered in Household insurance, to clients who invested in energy saving measures, like solar panels, heat pumps, etc, or homeowners having an excellent energy certificate.

Central to Seguro Directo's ability to deliver a Mobility Ecosystem in Portugal is a new app which is offering a pay per kilometre option. This Drive Less, Pay Less option is adding more transparency and fairness to the way each customer views his policy and premium. But as well as pricing linked proportionally to usage, customers also receive educational tips for safer driving with information on their driving behaviours, namely speeding, cornering, distracted driving, etc. And this new app also includes an embedded digital discount card and access to road assistance services digitally.

In the non-consolidated Non-Life entities, new initiatives are also emerging: in Türkiye, facing a boost of the sales of electric vehicles (EV) in 2023, Aksigorta was the first to launch an exclusive insurance for EV including specific features such as incorrect charging battery coverage or running out of charge. It has also shown itself to be a frontrunner in the provision of innovative mobility solutions, developed in close collaboration with members of the Stellantis automotive group. With Fiat Connect for instance, Aksigorta is tracking driving data stimulating the right driving behaviour, including driving less. Drivers using this application and showing the right behaviour can benefit from discounts of more than 10% on their motor insurance policy. Finally, one of the latest innovations is a specific insurance for electric charging stations. Building on its expertise in insuring renewable energy plants, Aksigorta is taking a lead in the growing market for electric charging stations in anticipation of mandatory regulation which will come into force in 2024.

Malaysia made a strong commitment as a country towards being carbon neutral by 2050, and this has motivated Etiqa to develop a range of specific insurance and takaful products aimed at contributing to this commitment. Over the past years, Etiqa launched several products to cover electric cars. Furthermore, new products aim to cover home chargers, charging equipment and installation as well as nationwide unlimited mileage roadside assistance.

Faced with rising energy costs and governments imposing renovation and energy labels, private homeowners are paying increasing attention to the **energy efficiency** of their homes. Ageas designed and launched various solutions offering integrated solutions to this challenge in its respective markets.

Based on the belief that "home is where your heart is", Ageas Portugal, launched Livo an ecosystem platform delivering premium maintenance services and solutions promoting communities' sustainability and the wellbeing of families. It began with a special focus on energy efficient windows including features such as noise suppression and security improvements and over time this will extend towards insulation and solar panels, leveraging the expertise of home advisors and adding partners who can offer integrated and certified global solutions. In Belgium, AG offers an immediate discount of 10% on the household insurance policy for homes with a green energy certificate or evidence of renewable energy installations such as solar panels, heat pumps or domestic wind turbines.

With **climate change** becoming more tangible, additional solutions are required.

In Portugal, seismic risk is the greatest catastrophic risk to which the national territory is exposed but still the level of coverage is extremely low with less than 20% of households insured according to the Portuguese Insurance Association (APS). Ageas Portugal launched a communication campaign to increase awareness and enhanced offers to cover for the seismic phenomena with extended underwriting criteria allowing to include older buildings and making the cover available to a larger audience.

Ageas UK signed up to the "Build Back Better scheme" in 2022, helping fund the installation of flood prevention measures in the homes of qualifying customers affected by flooding. In 2023 it established a Weather Taskforce made up of experts from within and outside the business to help customers better anticipate and prepare for big weather events with greater accuracy. Ageas has been working closely with flood resilience campaigner Flood Mary and other specialised organisations to learn from their expertise and to provide preventative and preparatory measures to be taken in advance. A weather surge plan was developed and already successfully activated for instance in response to the impending arrival of Storm Ciaran in early 2023. An online weather hub was also launched to provide practical advice and education for customers in preparing their homes and keeping safe.

Recognising the vital role that brokers play in communicating with customers during these devastating times, Ageas played host to a group of brokers and industry experts to work through potential solutions and ideas to better help customers which was very positively received.

In Türkiye, following the devastating earthquake in early 2023, Aksigorta launched a sensibilisation campaign to highlight the difference between the mandatory earthquake insurance and a home insurance, covering for instance the content of the house. In addition, Aksigorta supported initiatives to help the most affected cities and has set up a partnership with the highly respected Disaster Management Institute who is carrying out research into earthquakes and provides advice and support to make people's homes more resistant.

In Malaysia the recent introduction of the Solar Shortfall Insurance which compensates solar farm operators for financial losses arising from any shortfall in solar energy production has been viewed as an innovative development in the insurance market. Power producers in India are working to grow energy production from renewable energy sources like Wind, Solar, Hydro and Green Hydrogen.

Lastly, RSGI is a niche player in the Renewable Energy segment with an in-depth understanding of Power generation, insuring about 40% of the installed wind capacity in India.

Other developments in the Non-Life business are linked to the **claims processes** as these are crucial in making our offer more sustainable.

Water leakage is a frequent cause of claims in Household and in Belgium, AG is investing in new sustainable repair techniques through its subsidiary AG Dry Solutions. In collaboration with the University of Ghent, investigation is being performed on controlled drying and non-destructive repair of water pipes for instance. Also In Portugal, Ageas Repara offers water detection solutions and technological assistance, helping in preventing water damage to the property as well as avoiding unnecessary water consumption.

Recent research confirmed that Ageas UK remains a leader when promoting the repair versus replace principle. According to the most recent State of the Industry Report from the Auto Body Professionals Club (ABP), most UK body shops use less than 10% of recycled parts whereas Ageas UK uses green parts in neraly 30% of all qualifying invoiced repairs. And the commitment towards the circular economy goes further including the salvage operation into the green parts supply, meaning that parts from the customers' cars that have been written off can be reclaimed, reducing unnecessary waste and the likelihood of damaged cars being scrapped.

The health care sector is facing serious challenges with the evolving landscape of healthcare technologies and treatments, demographic shifts, and the aging population. Add to this the growing importance of mental health and rising healthcare costs, sustainability concerns for health insurance systems are on the increase. This necessitates that insurers evolve from their role as a health "payer" to a health "partner", ensuring equitable access to quality care across diverse populations, and focusing on wellbeing and prevention.

Médis in Portugal has an outstanding track record in acting as a health player, developing an integrated healthcare journey within the insurance life cycle. From prevention to bringing care closer to people, including critical diseases and investing in health literacy, Médis developed several dedicated solutions such as the Personalised Prevention Plan and partnerships to offer screenings related to specific pathologies. Médis Health Care has been further expanding with Médis Dental, Médis Light and Médis Vision broadening access to health care with an eye on keeping it affordable.

The **ageing** population has been a specific point of attention for Ageas Portugal with a dedicated approach named "MaisIdadeMais." In 2023, several initiatives benefiting the senior population were designed starting with the review of the age limit for the entire Médis Portfolio to minimum 70 years with 75 years for the Médis Vintage and with no age limit for Médis Light. Volta 55+ has been launched offering an adapted personal accidents policy for customers between 55 years and 79 years covering them in case of a major event but also focusing on day-to-day services like health and home services or travel and personal luggage support. A similar concept was recently added with Vantagem+, an assistance insurance targeting Millenniumbcp customers between 55 and 90 years who want to increase their protection with an additional set of services ranging from health to home assistance services, pharmacy services and hospital expenses coverage in case of accident. In only 2 months, 2,000 people subscribed to this insurance.

By providing easy access at low cost to health and home assistance services, Ageas Portugal is pushing the entry and access barriers of quality daily services to the ageing population. But in the field of mental health also, Médis further invested in developing an holistic approach, this time focussing on individual customers.

Also in Belgium, AG has a longstanding tradition in healthcare and wellbeing. Following the impressive track record of the "Return to work" programme as part of the income protection offered to companies, a similar approach has been designed for self-employed. Being self-employed comes with a lot of pressure- and being fully financially reliant is an additional challenge when facing mental health issues. Re-boost the income protection plan for the self-employed has been reinforced by adding the re-integration programme. With this coverage, self-employed who become disabled due to stress-related factors like a burnout not only have a financial cushion to fall back on, but they can count on individually tailored guidance speeding up their recovery process. After a successful pilot in the last quarter of 2023, the program will be rolled out in 2024.
Furthermore, AG incorporated MyMind in its MyAG Employee Benefits app, offering mental health services linked to income protection, healthcare, and pension products. Without any additional charges, self-care tools are made available, with the addition of a Safe2Talk phone line where employees can ask their questions on mental wellbeing. MyCare is another service that has been incorporated in 2023 in AG's Health offering, with access to Doktr, a secure and innovative app for video consultation with a Belgian general practitioner. And lastly AG Health Partner continues to expand its activities and customer base. It was the first in the Belgian market to offer wellbeing as a service, which fits well with the Group's ambition to spark further growth in Health.

Ageas's Joint Ventures with Health businesses also invest in the concept of being a true health partner to customers, by encouraging them to take care of their health with a focus on prevention.

Muang Thai Life's dedication to offer comprehensive health solutions includes a focus on preventive care and wellness, exemplified by MTL Fit, its one-stop health application. The application is available to all users for free and is designed to support them in taking better care of their personal health to promote good health in society and create a health ecosystem for the company. MTL continued to broaden its health offer improving accessibility of underserved people, for instance via D health Plus, MTL's health insurance for the young customers and informal workers of the GIG economy. It provides a deductible option, standard single-room coverage, and a lump-sum benefit.

Taiping Life has continued this year to take advantage of the benefits provided by the China Taiping Medical-Health-Retirement Alliance. This Alliance comprises 26 partners in the health and retirement fields who are committed to providing customers with diversified and high-quality services.

In Türkiye governmental healthcare has broad coverage, but waiting lists are long as capacity of doctors and hospitals is low. Private healthcare is often the solution but to make it more affordable for youngsters, Aksigorta launched two complementary health insurances for young Akbank customers. The first called Aksaglik, for customers aged between 18 and 30 years, includes a range of specific advantages like no medical underwriting and reduced waiting periods for a set of diseases. Akbebek has been designed for children from newborns to eighteen years old and comes with a lifetime policy renewal guarantee amongst other benefits.

5.3.2 Products that have been reviewed for transparency

Through Impact24, Ageas explicitly aimed to make all products easy to understand with a dedicated KPI, with clear alignment among the core business teams on the definition of transparency:

- Communicate in simple and clear language with easy-to-understand policies;
- Provide tools to help make informed decisions;
- Offer clear value for the customer and serve their interests.

A specific working group was created to assess how the different Ageas businesses were performing against these dimensions. The first observation was that communicating in a transparent and understandable way with customers has always been high on the agenda, ensuring at the same time that products offered correspond to customer needs and serve their interests. As well as being the subject of multiple regulations including the Markets in Financial Instruments Directive (MIFID II) and the Insurance Distribution Directive (IDD), the topic has been emphasized internally through policies such as the Product Approval Policy (PRAP) and the Treat Your Customer Fairly Policy.

The Product Approval Policy (PRAP) sets out the high-level principles to be followed when developing and launching new products or making material changes to existing products in areas such as product features or target markets.

For each product, the target market must be clearly identified to ensure appropriate marketability and distribution. Businesses invest in research and conduct market panels amongst other initiatives to ensure a clear understanding of the different profiles of customers and to ensure accessibility for different targets, taking into account the level of knowledge of the customer and promoting financial literacy where applicable to avoid creating vulnerable customers. Product design and pricing must reflect the company's commitment and ambitions in terms of sustainability and consider opportunities to solve societal challenges. It must evidence consideration of Environmental, Social, and Corporate Governance (ESG) factors, such as climate and biodiversity, social inclusion, affordability and human rights, and stakeholder expectations. Ageas's businesses test products prior to launch and customer feedback is taken into account.

The Product Approval Process includes an assessment of the extent a product creates sustainable value and ensures a balanced distribution of financial interests. Customer fairness is always a key consideration. Ageas will not knowingly sell products with any "hidden" or difficult to understand charges, risks or exclusions and should aim to offer products which offer value to the customer. Consequently, both policy wordings and marketing material must be easy to understand, in clear and transparent language. Specific attention must be given to providing (educational) tools to allow customers to make informed decisions and support customers in developing responsible behaviour. Ageas's businesses develop a wide range of information tools available in different media and targeting both the end customer as well as the distribution channel. Examples include dedicated websites, mandatory one pagers showing clearly what is covered and what is not, educational videos, FAQ's etc. Customers can access their personal area with all information related to their services and contracts. In addition, training on products is provided to all relevant stakeholders (e.g., salesforce, marketing, tax, claims, contract administration etc.) to ensure that staff and intermediaries have the necessary skills to appropriately commercialise, manage and assess the product. This includes the ESG related aspects of the product. Ageas's businesses ensure an understanding of the distribution chain and how a product will be sold, avoiding any miss-selling or inappropriate cross selling. Some businesses go as far as to put in place a system of mystery shopping to assess if the distribution partners correctly present the information.

The PRAP also stipulates that alongside a rigorous approval process, post-launch, product performance is subject to regular monitoring. Product performance is periodically assessed to monitor customer take-up and experience, and commercial value, with action taken where necessary, to ensure that shared value is maintained. Customer complaints are monitored, and improvement initiatives put in place; customer surveys are conducted in all businesses with different formats providing input on customer perceptions and expectations. In Ageas UK for example, "Your Voice" is a customer research panel testing on a recurring basis different customer journeys related to products, processes, and services.

On a broader level, Ageas's Policy on Treating Customers Fairly (TCF) means that customers are placed at the heart of the operations, ensuring that the focus on the customer is an intrinsic element of the Ageas corporate vision and values. The principle of Treating Customers Fairly is built into all of the operating models and procedures. All employees are expected to adhere to these operating policies and procedures in their dealings with internal and external customers, to ensure the delivery of the required TCF outcomes, with employees receiving training as needed to embed these values. Also in this policy, principles are addressed around the importance of making sure product and service solutions meet customers' needs; caring, straightforward and fair communication with customers, minimising customer complaints and at all times, treating complaints fairly and where there is cause for complaints, dealing with these in a timely fashion.

Bringing all existing processes and initiatives together and assessing them against the definition set, Ageas considers that transparency is truly embedded in the commercial processes of all businesses as part of a responsible marketing approach, going beyond the minimum compliancy requirements under the regulatory framework in all geographies. Regulations require a periodic product review (annually for all Save & Invest products and Health and every two years for all others). During these formal reviews, Ageas's businesses assess whether the products remain consistent with the needs, the objectives and the characteristics of the identified market, including its usefulness and understandability. Input related to complaints, interpretation of the product, feedback and recommendations from distributors and potentially changes in regulation are all taken into account. Specifically in the UK the more recent Consumer Duty regulation is setting even higher standards of customer protection across financial services, and additional steps are included in the review such as the Target Market Statement (illustrating that the target market is correctly assessed and identified, including reference to the customers for whom the product is not appropriate) and the Value Statement (illustrating that the price the customer pays is reasonable compared to the overall benefits). These Products and Oversight annual reviews are also published on the UK website.

This review process is also leveraged when measuring the Impact24 KPI on transparency, as all the relevant dimensions are included. This approach allows Ageas to fulfill its commitment to review 100% of its products for transparency by 2024.
However, Ageas considers transparency to be a never-ending journey and changing customer and market expectations are continuously raising the bar. Consequently, continuous efforts are being made and new improvement initiatives launched.

The following examples illustrate how specific initiatives in Ageas's different geographies go beyond the legal minimum representing good practice. Continuous efforts are being made in responsible marketing to communicate in a simple and clear language, providing tools to customers to help make informed decisions while investing in literacy and paying specific attention to vulnerable customers.

At AG in Belgium, the sound of C was launched to listen to the **feedback of customers** and to better understand their needs. Colleagues that do not have regular direct contacts with customers spent a full day on the phone resulting in more than 1,500 conversations with customers. Insights were discussed and will be incorporated in improvement initiatives.

The distribution partner has a crucial role in providing clear and transparent communication to the customer. The AG Insurance School in Belgium, located in the innovative AG Campus, is an example of how Ageas supports its distribution partners. Brokers receive intensive training on products and services including sales and communication practices and updates on new regulation. During 2023, more than 9,800 people attended training classes totalling more than 66,000 training hours.

Several other initiatives are being set up and organised including courses on the various regulatory frameworks, webinars and last but not least the launch of Go4Impact. This is a digital platform allowing brokers to take steps in their personal sustainability journey supported by a tool to measure their own CO2 footprint. Launched just before the summer of 2023, already 400 brokers opened an account and became active users.

Ageas Portugal continues to focus on **literacy**, specifically around health. In 2023 mental health was the central theme, made concrete through a series of podcasts and a new edition of Vida Sustentável. The goal of these literacy partnerships is to inform citizens and to raise awareness via weekly publications on behavioural change around five topics all related to a more sustainable and inclusive world: Future of Work, Diversity & Inclusion, Sustainable Finance, Climate Change and Health Prevention.

In Ageas UK, transparency is strongly embedded in the purpose of the company: "to understand people + simplify insurance". Within this strategy sits a strong customer ambition statement translated into a care programme throughout the entire company. The new regulation on Consumer Duty that came into force in July 2023 was an opportunity to raise the bar for this care programme, reviewing a set of initiatives. The Ageas care guidance was updated, supported by a new set of tools including a policy system flag for both Customer Operations and Claims enabling them to record the customers vulnerability and their specific needs to help them manage their insurance. Also, the call miner tool is being adapted to monitor and track **vulnerable customer** calls, adding real-time prompts to alert consultants the customer may be vulnerable. Additional investments in education and training of employees are being made with a toolkit containing information about the different types of vulnerabilities such as a monthly awareness page with specific information about topics related to vulnerability such as dementia, disabilities and mental ill health and a new soft skills training course for the customer facing teams.

Ageas UK is making a continuous investment in customer journeys via both the telephone and online around how to remove customer barriers. Deep dives on the online journeys for vulnerable customers were completed which highlighted the benefit of a digital/self-serve channel. A lot of attention has been given to customer feedback during customer panel testing/customer interviews which feed into the design of products and services.

In the non-consolidated entities, the topic of transparency is also embraced. In Türkiye, financial literacy is still quite low. Financial education is particularly important and the potential to speak to a real human being remains very much needed. Therefore, AgeSA decided to invest substantially in a direct sales force allowing face to face sales in the comfort of the customer's home. As a result of this unique proposition, AgeSA doubled the number of consultants in 2023 ensuring a nationwide reach well beyond the big cities.

Technology can play a critical role in making products more transparent and when machine learning and natural language processing meet in generative AI.

An illustration of this is the launch in 2022, of a special service Blindlook, targeting blind and visually impaired people and available through the AgeSA mobile app. This year, AgeSA took the concept a step further with a special video call service for hearing impaired customers. The first people using the service rated the service with a 4.8 score over 5 underscoring the feature's importance.

5.3.3 Customer NPS

	2023	2022
% of entities with a top quartile cNPS	25%	25%

The CX programme is being rolled out across all entities in the group with a focus on strengthening the CX capabilities and making sure that each entity becomes self-sufficient in measuring and re-designing their customer journeys, in line with Customer Expectations and Ageas's Efficiency Goals. CX is not a "soft play" - it must deliver real, tangible benefit. The UK model serves as a proven model, replicable in other markets following a well-tested methodology that has been successfully applied, delivering tangible results, in a short timeframe.

Increasingly customers are looking for fully automated digital services that are personalised to their needs. Progress depends largely on the further deployment of technology and data. Ageas's customers expect Ageas to deliver consistently across all customer journeys, to provide the best experience to them in line with their wants, needs and demands and with an ambition to be top quartile in all markets.

Competitive NPS measures the ranking of the Customer's Net Promotor Score against main insurance competitors in the local market. Ageas's target is ambitious: a top quartile position in all markets in which Ageas is present. Today 76% of Ageas entities are following competitive NPS as key indicator to identify improvement areas against local competitors. In 2022 this was 65%, coming from not even half of all entities in 2021. Ageas's competitive NPS target is realized in 25% of consolidated entities.

5.4
Our investments

Impact24 targets
- Level of ESG-integration in our investment decisions - 100%
- At least EUR 10 billion of investments making a positive contribution to transition towards a more sustainable world -
- Carbon emissions of our investment portfolio - Net zero by 2050 at the latest

These targets bring to life the material topic defined in the materiality assessment in relation to investments: Socially responsible investments focusing on societal challenges.

As these targets were set for the period 2022-2024 and Ageas Federal Life Insurance India (AFLIC) only became part of the financial consolidation since the last quarter of 2022, the scope for the targets is all consolidated entities excluding AFLIC.

5.4.1 Level of ESG-integration in our investment decisions

	2023	2022
Level of ESG integration in investment decisions	100%	Above 99%

Ageas places a significant emphasis on responsible investing by integrating environmental, social, and governance considerations (the so-called ESG factors) into its investment decision-making process. Ageas believes that these ESG considerations are crucial determinants of investment performance, influencing both returns and risks.

Ageas integrates ESG considerations in all new investment decisions. Investments cover a wide variety of direct investments such as equities or corporate bonds, infrastructure loans, government bonds but also indirect investments through mandates or third-party funds managed by external asset managers.

Ageas portfolio managers are all committed to reach the 100% ESG integration target set in the Impact24 strategy. At the end of 2023, the level of ESG integration is 100% for internally managed assets and externally managed assets.

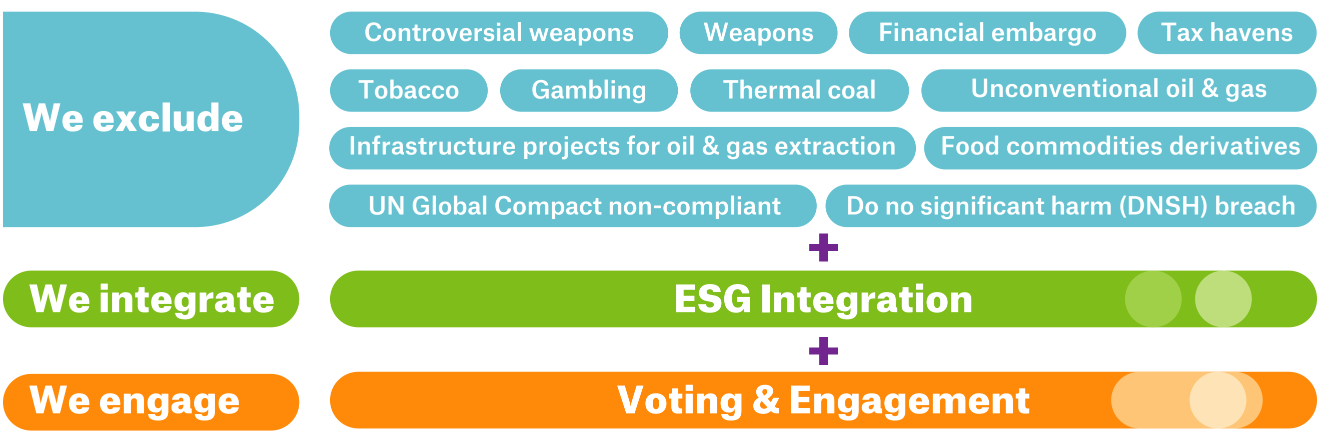
For internally managed assets, the integration of ESG information either happens via external ESG scores provided by 3rd party providers or internal ESG analysis. For externally managed assets, Ageas selects asset managers that embed ESG characteristics in their responsible investment framework, most of them being UN Principles of Responsible Investment, (UN PRI) signatories. At the end of 2023, 97% of the external managers were PRI signatories.

Ageas has a long track record of integrating sustainability within its investment strategy. The first sustainable investment solution was launched back in 2007 via AG, the Group's Belgian subsidiary, representing nearly 80% of Ageas's investment portfolio. This strategy continuously evolved leading to the signature of UN PRI by both Ageas and AG at the end of 2018.

By underwriting UN PRI, the entities formally commit to incorporate environmental, social and governance aspects as a fundamental cornerstone of their investment decision framework. Meanwhile, the framework has been gradually rolled out within the organisation with both Ageas and AG Insurance publishing their first UN PRI transparency report in 2020. In 2023, the third UN PRI report has been submitted by both entities. These reports have been released and published in January 2024.

Strengthening the approach

Ageas is continuously finetuning its responsible investment approach in line with the increasing standards set by the Group. The main investment principles applied are set out here:



With respect to the consolidated entities in scope, Ageas has a set of exclusion criteria in place with respect to controversial weapons (antipersonnel landmines, cluster munitions/bombs, nuclear weapons, chemical and biological weapons, and depleted uranium munitions), tax haven jurisdictions and countries subject to international sanctions and embargoes. On top of these legal exclusions, Ageas also excludes controversial activities and sectors such as manufacturing of tobacco, coal related activities such as coal mining and coal-based electricity generation, production of arms, gambling etc. For these sectoral exclusions, all companies generating more than 10% of revenues from these activities are listed on Ageas's exclusion list which is usually updated twice a year. These exclusion rules apply to all investments managed internally or externally via mandates, except for historical bond positions which are allowed to mature. This is not the case in the unit linked portfolios where there are no exceptions for historical bond positions. Since 2022 Ageas strengthened its exclusion policy by formally excluding from its investment universe companies that do not comply with the United Nations Global Compact (UNGC) principles. Through these exclusions and via the ESG analysis, Ageas does not invest in companies that severely violate international norms and standards related to corruption, the environment, human rights, and labour rights including child labour, forced labour and discrimination. In 2023, Ageas added companies with coal expansion plans to the exclusion list. Ageas also committed to not finance new infrastructure projects related to oil and gas extraction, oil distribution and storage and oil-fired power generation where the emissions cannot be aligned with a 1.5 degrees Celsius pathway. Ageas also excludes the financing of companies that do not respect the “Do No Significant Harm” principle as defined per activity in the Climate Delegated Act of the EU Taxonomy regulation.

The integration of sustainability (ESG) factors has become mainstream in the investment decision process across all asset classes. These factors can create risks and opportunities for companies and are therefore an integral part of the investment analysis. For the entities where most assets are managed internally, a proprietary ESG integration approach is in place. When the assets are outsourced to third party asset managers, those where ESG is embedded in their investment process are selected and those that are signatories of the UN PRI are considered preferred partners. For infrastructure investments, the Equator principles are embedded in the analysis.

Both in the context of the implementation of UN PRI and TCFD, Ageas and more specifically AG in Belgium has taken the lead and made progress with an engagement policy towards invested companies. The engagement activities performed directly or indirectly via external asset managers or through collective engagement initiatives confirm our commitment to the following UN PRI principles (1) Be an active owner and incorporate ESG issues into ownership policies and practices and (2) Seek appropriate disclosure on ESG issues by the entities in which Ageas invests. Via direct dialogues and its support to collective initiatives Ageas intends to improve the ESG profile of the companies in which it invests aiming to reach its long-term investment objectives.

Ageas joined several collective engagement initiatives. Ageas via AG joined the Climate Action 100+ in 2020. This initiative unites investors, while encouraging the world's largest GHG emitters to take necessary action on climate change to help achieve the Paris Agreement's goals. In 2021, Ageas became a signatory of the Carbon Disclosure Project (CDP), an initiative which urges companies, cities, and governments to measure and publish climate related data and to implement strategies to tackle the environmental issues linked to climate change. In 2023 Ageas participated in the CDP SBTi campaign, an initiative which urges companies to commit and to set SBTi targets. Ageas also participated in the CDP non-disclosure campaign, an initiative where the main objective is to motivate non-responding companies to be more transparent by submitting completed questionnaires on climate change, water security & forest. Ageas via AG also joined in 2023 Nature Action 100 which is a global investor engagement initiative targeting 100 companies with a focus on driving greater corporate ambition and action to reverse nature and biodiversity loss.

The Ageas responsible investment framework is implemented in all European consolidated entities. This framework and Ageas practices have also been shared with the other Asian entities via AGICO (Ageas Investment Committee). In 2022, the newly consolidated entity AFLIC in India implemented a similar framework based on three pillars namely exclusion of controversial activities defined locally, integration of ESG factors and voting and engagement with investee companies.

5.4.2 Investments making a positive contribution to transition towards a more sustainable world

	2023	2022
Investments making a positive contribution to transition towards a more sustainable world	EUR 13.2 bn	EUR 10.3 bn

In 2023 Ageas pursued its investments contributing to solutions related to sustainable cities, the climate challenges, and strengthening local economies. Within Impact24 Ageas confirmed its ambition to contribute to the transition towards a more sustainable world also via its investment activities. Ageas already passed its target to invest at least EUR 10 billion in assets that make a positive contribution to the transition towards a more sustainable world by 2024. To monitor the target, Ageas has developed a framework where investments are assessed on their sustainable characteristics and value and where only those assets that have a positive impact on the environment or society are retained.

With respect to green investments having environmental and climate changes dimensions, this includes:
- financing of infrastructure projects related to renewable energy a.o. onshore and offshore wind farms and solar panels but also buildings owned by AG Real Estate that have a certification such as BREEAM, WELL, LEED (at least rated Good, Silver, or equivalent);
- financing of infrastructure projects related to green mobility such as public transportation;
- use of proceeds bonds such as green and sustainable bonds;
- other green investments;

With respect to the social aspects this translates into practice via investments in
- social housing loans;
- use of proceeds bonds such as social bonds and sustainable bonds;
- infrastructure for education, rest homes and hospitals.

At the end of 2023, Ageas invested EUR 13.2 billion in assets making a positive contribution to the transition towards a more sustainable world. The environmental part of these investments was EUR 6.8 billion.

Within the Impact24 definition of sustainable investments, investments qualifying as taxonomy aligned activities are included. Data for this category are obtained from an external ESG data service provider. More accurate and reliable data will become available over time, and it is expected that the amount qualifying will grow with increasing information, knowledge and companies transitioning to aligned activities. Ageas's disclosure on EU taxonomy can be found in note 5.6 EU taxonomy.

In the course of 2023, Ageas invested more than EUR 2 billion in new sustainable assets, of which the largest part being green bonds. It represents one of the most important asset types of the Group's framework to identify assets that have a positive impact on the environment or society.

More than EUR 1.2 billion of this amount comes from green bonds including some issued by the European Union to support the green and sustainable transformation of the European Union's economies. The funds collected via the NextGeneration EU green bond framework are used to finance sustainable solutions including energy efficiency, clean energy, and climate change adaptation.

The sustainable investments include close to EUR 0.6 billion new investments in infrastructure continuing the strategy of the previous years:
- Renewable energy infrastructure such as an investment in the largest onshore wind farms in Europe, confirming our ambition to participate in the energy transition.
- Development of infrastructure related to public transportation such as the construction of tram infrastructure in a Belgian city. Efficient public transportation helping to realise the green transition.
- Digital infrastructure such as telecom towers and data centres with the social benefit of promoting connectivity, access to information, and technological innovation. They play a crucial role in fostering social connectivity and economic development. They enable widespread access to information, education, and healthcare services, bridging geographical gaps and fostering inclusivity.

Ageas also continued to invest in the Belgian federal and regional recovery funds launched after the pandemic crisis and in companies developing innovative solutions (recycling/reuse of waste and wastewaters).

Real estate

AG Real Estate, a wholly owned subsidiary of AG Insurance, is an integrated property operator active in Belgium, France, Luxembourg and in certain selected European markets (e.g., Germany and Spain) with expertise in different lines of business: Asset & Property Management, Development & Construction Management, PPP and real estate financing, as well as in Car Park Management through its subsidiary Interparking. 2023 was the year of continuing and stepping up by participating to a GRESB assessment and setting net-zero targets in line with the CRREM pathways.

GRESB

In 2023 the first cycle of assessments on the Global Real Estate Sustainability Benchmark initiative or in short, the GRESB initiative, took place. The results of this very first assessment for the current portfolio and development projects are very promising:
- Current Portfolio: a score of 61/100, with a green star;
- Development Projects: a score of 78/100, with two green stars.

Along the assessments also a CRREM monitoring (Carbon Risk Real Estate Monitor) was set up: this compares the energy and carbon intensity of the portfolio of the standing real estate assets to the CRREM "Paris proof" decarbonisation pathway for the different real estate asset classes. The CRREM pathway is part of the future target setting for the sub-portfolio real estate at group level and complies with the expectations of the Net Zero Asset Owner Alliance. All AG Real Estate's directly-held real estate assets have been included in the net-zero target-setting, different per asset class and country, which are based on the CREEM 1.5 degrees Global Pathways (v2). The targets are set on a whole-building and operational approach (i.e. energy-related emissions from both base building/common spaces and tenant spaces shall be included in target-setting).

In addition to the GRESB real estate assessment, AG Real Estate integrates the European Taxonomy criteria as a tool to measure its environmental impact. Taxonomy alignment for real estate assets will increasingly be expected by the market as capital shifts more towards green investments, and it is part of AG Real Estate's investment criteria.

Reducing carbon emissions, integrating renewable energy, while connecting with the client

AG Real Estate aims to significantly reduce - and where possible, eliminate – carbon emissions over time by renovating and upgrading the existing portfolio of commercial, healthcare, and other facilities to achieve better energy efficiency and by integrating renewable energy sources into the portfolio, from solar panels to geothermal energy, to improve energy autonomy. Currently, the warehouse portfolio's solar panels have a capacity of 73.5mWp or average annual consumption of around 20,500 households.

Energy, water, and carbon footprint KPI's are monitored in real time confirming that what gets measured, gets done.

And initiatives continue:
- Extending efforts of BREEAM In Use certification, currently at 29% of the portfolio under management;
- 75% of the office buildings portfolio assessed on indoor air quality by end of 2023;
- Visual diagnostic tools for telemonitoring energy and water consumption and energy audits;
- 43% of the current investment portfolio already has a water leak detection system in place;
- Continued installation of EV charging points in all car parks serving office buildings;
- And internally, limit the choice of company cars to EVs, by extending the life of IT equipment and raising awareness on best environmental behaviour in the employees' day to day life.

Support the social fabric

Buildings are more than just bricks. They serve many purposes for people, as a home, an office, a warehouse, and more. Improving the wellbeing of people living and working in the communities AG Real Estate actively supports solidarity actions and socio-cultural activities, integrating social elements into its projects.

For instance, prior to the redevelopment of the CCN, a project that will have an impact on the Espace Nord of Brussels, revitalising public spaces in consultation with numerous parties (social, cultural, communal) will be beneficial for all.

Or the new mural to the Canal Wharf residential project, in collaboration with the City of Brussels, by Ukrainian artists Sister Feldman. This artwork and embodiment of diversity, meant to strengthen our cultural ties and has resonated positively with its residents: Initially hesitant, they've come around after seeing the work and having the chance to talk to the artists.

Promoting mixed-use developments in multifunctional neighbourhoods

To stimulate vibrant and inclusive urban areas, AG Real Estate develops mixed-use projects that promote multifunctional neighbourhoods where people live, shop, work, and play.

A best-in-class example is the involvement in the non-profit organisation Up4North. Aware of the district's strategic position and its great accessibility, the ASBL Up4North will deploy a large-scale plan to ensure the diversity of the city's different functions. This project aims to recreate diversity by bringing together large companies and start-ups, the cultural and non-profit organisations, residents and visitors, as well as local, national, and international players. By bringing together all the real estate partners active in the northern area, UP4North offers a global and well-thought-out vision of the future district in line with the needs of its new users.

Improving on-site footprint, AG Real Estate strives to reduce its environmental footprint, promoting biodiversity and preventing pollution in its construction sites by developing eco-friendly designs and applying recycling. For example, in Paris in one of the buildings recycled brick will be used to reconstruct the façade, and in another project, a partnership with a specialised company for the reconditioning and reuse of false floor slabs in the office operations has been initiated. More generally, AG Real Estate France is integrating the 'RE 2020' environmental regulation in terms of energy consumption in new development operations.

As cities are increasingly impacted, the search for ways to reduce urban heat and loss of biodiversity is now systematically integrated into all projects e.g., by installing green roofs and walls, beehives, etc.

Public Car parks

Interparking operates a large network of over 1,000 public car parks in nine European countries, serving approximately 120 million customers annually. Convinced that successful green mobility hinges on multimodality, Interparking provides parking near key transit hubs like metro, tram, bus, train stations, and airports.

To facilitate access to its parking facilities, Interparking has introduced several initiatives over the years such as the Pcard+, the “E-Park & Rail” at Berlin or “Park&Bike” service in the Netherlands. These initiatives contribute to the promotion of public transport for short distances, stimulating the change towards sustainable and cleaner cities promoting the use of lower greenhouse gas emitting public transportation instead of own transport.

In 2023, Interparking has outlined clear objectives and KPIs based on key ESG topics crucial to their business and stakeholders: Green Mobility, CO2 Emissions Management, Air Quality Management, Digitalized Mobility, Employee Health, Safety, and Wellbeing, and Community Engagement. The company also conducted a Climate Risk Assessment, to better understand the challenges and opportunities related to climate risks and to integrate them into its overall strategy.

To support the transition towards low-polluting vehicles, Interparking is increasing the number of charging terminals for electric and hybrid vehicles in its car parks. In 2023 Interparking more than doubled the number of parking spaces equipped with charging terminals to more than 5,600. This substantially exceeds the commitment taken up in the underlying conditions of its green bond issuance to increase the number of charging terminals for electric and hybrid vehicles in their car parks by at least 300 every year.

Additionally, Interparking is actively pursuing innovations to enhance the user experience. The company is currently testing an innovative solution in Antwerp: a charging robot. This device autonomously approaches the vehicles to provide charging services. Users simply need to park in a designated zone and specify their desired energy level and estimated departure time. The robot takes care of the rest! In line with this commitment to innovation, Interparking has also integrated real-time availability of charging stations into the Pcard app, providing users with up-to-the-minute information on charging options.

.In this context, Interparking supported the introduction of an innovative training programme in secondary schools, aimed at educating the next generation of electric vehicle charging station installers. This initiative addresses the labour shortage in the field, which often leads to extended waiting times for installation services.

In 2023, Interparking has also undertaken significant efforts to ensure the safety of electric and hybrid vehicles within parking facilities. In a noteworthy collaboration with the Brussels Fire Department, the company conducted large-scale fire drills to thoroughly assess material and refine protocols for evacuating electric and hybrid vehicles in the event of a fire.

Digitised mobility is a very material priority for Interparking’s business and stakeholders. Consequently, Interparking has become a structural partner of Campus 19. Free of charge for students, this coding school aims to fill the gap in qualified personnel in the field of computer science (Developer, Network Administrator, Cybersecurity Technician, Data Analyst, etc.). Currently, more than 550 students have been trained, with a 100% guarantee of securing a job. Since its inception in 2018, more than 250 jobs have been created and internships have been completed at more than 100 distinct companies.

In France, the Voltaire project was launched with the goal to help Interparking staff members and their families to improve their written communications and upskill staff communications internally and with outside parties.

In the company’s ongoing commitment to Environmental, Social, and Governance (ESG) principles, Interparking participated in 2023 for the third time in the Global ESG Benchmark for Real Assets (GRESB). Its dedication to sustainability and responsible business practices has been recognized with a highly commendable score of 85%. This achievement reflects the company’s unwavering efforts to integrate sustainable practices into its operations, reduce its environmental footprint, and foster positive social impacts within the communities it serves.

And finally, Community Engagement is a top ESG priority. For example, to tackle affordable parking issues around Universitat Rovira i Virgili in Tarragona, a heavily discounted parking solution for students was introduced in 2023, in collaboration with the university. Through joint campaigns, Interparking proposed over 350 discounted subscriptions via the Interparking Hispania mobile app, demonstrating its commitment to both ESG goals and the local community.

Read more about new sustainable initiatives across the Group on the Annual Report website.

5.5
Our planet

Impact24 targets
- Carbon emissions of our investment portfolios – Net zero by 2050 at the latest
- Carbon neutrality in our own operations at the latest by 2024

Ageas has set these targets to respond to stakeholders' expectations more specifically "Socially responsible investments focusing on societal challenges".

Ageas is conscious of the impact it can have on the planet and considers this in the context of its investments, operations, and insurance products. Within Impact24 Ageas expressed explicitly its ambition to contribute towards global efforts to mitigate climate change. More specifically, Ageas made concrete commitments about ways to contribute to the Paris agreements by defining two targets. With respect to the decarbonisation of its underwriting portfolio, Ageas is closely following the activities developed by PCAF in defining its plans while actively engaging with customers as they transition towards more sustainable behaviours (see note 5.3 Our Products).

This chapter is not only related to Ageas's Impact24 strategy but also Ageas's response to the voluntary recommendations set out by the TCFD (Task Force for Climate-related Financial Disclosures). These recommendations provide guidance to all market participants on the disclosure of information related to the financial implications of climate-related risks and opportunities so that they can be integrated into business and investment decisions.

5.5.1 Carbon emissions of the investment portfolio
5.5.1.1 NZAOA
In December 2022 Ageas joined the UN-convened Net Zero Asset Owner Alliance (NZAOA), a member-led initiative of insurers, pension funds and foundations, committed to transitioning their investment portfolios to net-zero greenhouse gas (GHG) emissions by 2050. Ageas was the first Belgian based asset owner to join the Alliance.

Through its investments, Ageas wants to support the net zero greenhouse gas emission target set by 2050 in the European Green deal. To reach this long-term target, and as 2050 is still relatively far away, Ageas has defined an intermediate trajectory to reach its carbon reduction objectives. Ageas commits as its first intermediate target to a 50% reduction of the GHG intensity of its equities, corporate bonds and infrastructure portfolios held by its European consolidated entities by 2030. The progress is calculated against the reference levels set at the end of 2021. The 50% committed reduction is in line with the Intergovernmental Panel on Climate Change (IPCC) no and low overshoot 1.5°Celsius scenarios and its latest assessment report. IPCC is the United Nations body for assessing the science related to climate change. For its real estate portfolio, the decarbonisation will be in line with the CRREM 1.5° national pathways (Carbon Risk Real Estate Monitor). These objectives are in line with the requirements of the NZAOA.
As a result, Ageas is moving away from a long term 2050 commitment to a much closer 2030 intermediate target.

For equities and corporate bonds investment portfolio, at the end of 2023, the scope 1 and 2 carbon intensity decreased by 34% from 149.1 tCO2e/mio USD revenues at end of 2021 to 97.8 tCO2e/mio USD revenues. The largest part of this decrease is due to changes in the portfolio. This means Ageas decreased the exposure to higher emitting sectors and increased exposure to lower emitting sectors. The other part of the decrease is thanks to the companies which Ageas invested in, having decreased their emissions. Ageas will continue to monitor the evolution of the carbon intensity of the portfolio and will continue to monitor the top emitters. Furthermore, AG actively monitors companies who have set SBTi targets. At the end of 2023, those companies represent 33% of the AG equity and corporate bond portfolio (based on market value). Ageas is on track to reach its 2030 commitment. The calculations of the carbon intensity are aligned with the Partnership for Carbon Accounting Financials (PCAF) methodology.

Although the Ageas NZAOA commitment is based on carbon intensity, Ageas also monitors the absolute scope 1 and 2 CO2 emissions of its equities and corporate bonds investment portfolio. These emissions have decreased by 27% from 1,285 ktCO2e at the end of 2021 to 935 ktCO2e at the end of 2023.

For infrastructure investments, Ageas issued a questionnaire to all its counterparties requesting information on their environmental, social and governance factors. Together with other major investors, Ageas is increasingly demanding greater transparency with respect to ESG data (e.g. carbon intensity) for infrastructure projects.

For real estate, the Global Real Estate Sustainability Benchmark (GRESB) assessment was AG Real Estate's first step in gathering and centralising energy and carbon emission data. Given the diversity of AG Real Estate's portfolio, the decision was taken to set a target by asset class and country expressed in kg/CO2e/m²/year. Most of the current buildings in the portfolio are in line with CRREM 1.5°C national pathways for 2022. AG Real Estate will achieve its net-zero ambitions by diligently screening new acquisition opportunities, by rebalancing its portfolio, and by renovating existing buildings (read more in note 5.4 Our investments, section Real Estate).

Ageas aims to influence companies' behaviour with a view to favouring good ESG business practices and tackling environmental issues such as climate change. To this end, in line with the NZAOA requirements, Ageas will focus on the 20 highest GHG emitters in its portfolio encouraging them to decarbonise their activities to limit the global temperature increase to maximum 1.5°Celsius.

In Belgium, AG is involved in 220 external engagements. Through collective engagement via Climate Action 100+, via CDP through their Science-Based Targets (SBT) campaign and through their non-disclosure campaign (NDC). and via Nature Action 100: in total more than 200 companies of the AG portfolio are covered. For the first time AG took the lead in a couple of these engagements. In Portugal, engagement activities are externalised for some pension portfolios. These cover about 170 companies for which engagement topics like climate change, environmental stewardship, human rights, labour standards or SDG involvement are brought forward.

AG has 17 bilateral engagements of which 8 started in 2023. This included some top emitters of the portfolio requesting a net-zero ambition. First reactions have been received and engagement will be continued with them.

Finally, as part of Ageas's Impact24 ambition to invest at least EUR 10 billion in assets making a positive contribution towards a more sustainable world, Ageas committed to invest at least EUR 5 billion or half of this total ambition into climate related investments by the end of 2024 (more information on responsible investments can be found in note 5.4 Our investments). By the end of 2023, EUR 6.8 billion were invested in environmental assets financing the transition to a more sustainable world. The actual per year-end 2023 is already above the 2024 target set but Ageas aims to continue to increase investment in positive climate related solutions such as green bonds, renewable energy infrastructure, green mobility infrastructure and taxonomy aligned economic activities.

In addition to these commitments to accelerate the transition towards a net zero investment portfolio, Ageas integrates the principles set out in the TCFD recommendation as part of its Responsible Investment Framework. This framework includes specific climate change related principles that consider the transition to a low carbon economy.

5.5.1.2 Other mitigating actions

Specifically with respect to the environmental and climate issues, the following principles have been embedded in the decision-making process implemented in the European consolidated entities:

- Exclusion of the most sensitive industries:
  - Exclusion of investments in thermal coal and any new thermal coal projects including thermal coal plants, coal mines and related infrastructures. Full divestment is targeted by 2030.
  - No new investments in any infrastructure related to oil & gas extraction, oil pipeline distribution and storage, oil-fired power generation infrastructure;
  - Exclusion of companies active in unconventional oil & gas i.e. arctic oil & gas exploration, shale energy, oil sands.
- Additional restrictive criteria are in place for investments in conventional energy industries specifically for investment products with a sustainability focus. For products with the Towards sustainability label managed by AG a full exclusion of the fossil fuel energy sector will be implemented in 2024.
- Supporting the greening of the economy via investments in companies in transition and companies that have a credible strategy to make the energy transition happens. In the ESG integration approach particular attention is paid to environmental factors such as renewable energy use, carbon footprint, greenhouse gas reduction programmes, environmental policies, and qualitative information on the climate strategy of the company, including commitment to SBTi (Science Based Target initiative). This information is also fully embedded in the investment processes.

These decisions, affecting all investment activities, constitute a natural evolution for Ageas as a prudent, long-term, and socially engaged investor and confirm its intention to be a responsible investor.

5.5.2 Carbon neutrality in Ageas's own operations

In tonnes CO_2e	2023	2022
Carbon emissions of own operations	29,531	21,694

Within Impact24, Ageas has set a target towards reaching carbon neutrality of its own measured operations.

In line with the principles set out in Ageas's Environmental Policy, Ageas is committed to develop a long-term process of continuous improvement to mitigate the material impacts of its own operations on the environment. The implementation of this policy entails measuring and reducing its carbon emissions, using resources more efficiently, and offsetting the remaining emissions, among others. Each entity across the Group develops its own processes and actions to comply with this policy, depending on their local specificities, and reports at least on an annual basis towards the Group the progress made against the target in line with the Group's ambition.

GHG measurement for scope 1, scope 2 and scope 3

Since 2018 Ageas measures its GHG emissions (in tonnes CO2e) in accordance with the GHG protocol and has gradually extended the scope. It includes scope 1, scope 2 and part of scope 3 sources of emissions. The latter include those connected mainly to, employee commuting, business travel, purchase of IT equipment, paper and waste.

As of 2023, the measurement covers all European consolidated entities (i.e. Belgium, Portugal and UK) as well as the corporate headquarters in Brussels, the Asian regional office in Hongkong and for the first time, AFLIC. It also includes AG Insurance's main subsidiaries AG Real Estate and Interparking offices.

Because of the Covid-19 impact, 2019 emissions have been considered as the reference year, based on which Ageas targeted a 30% reduction for the end of 2023, scope-on-scope compared to the base year 2019. This ambition is increased to 40% by end of 2024.

The GHG emissions measurement for the year 2023 resulted in a total amount of 29,531 tCO_2e emissions This year the scope was enlarged with the integration of AFLIC, representing 15% of the total amount. Compared to end 2022, the emissions increased scope-on-scope by 17%, mainly due to an update in the emission factors[4] (explaining two third of the increase) and increased business travel. Compared to the reference year 2019, the Group has reduced emissions scope-on-scope by more than 20%, considering the updated emission factors by just below 30%.

An overview of the 2023 results can be found in the summary table in note 5.8 Sustainability and non-financial indicators. The most important contributors to Ageas's carbon footprint in 2023 have been identified within scope 1 car fleet (31%) and scope 3 commuting (31%) and business travel (19%). In 2023, besides the change in emission factors, business travel picked up, following the organisational structure of the group with strong ties in Europe and Asia, where in the case of Asia, activities are overlooked of the regional office in Hong Kong and management duties require frequent visits.

An approach based on a structural reduction

To structurally reduce its GHG emissions, Ageas has continued the implementation of several initiatives:

- The review of the lease car policies across the Group aimed at promoting hybrid and electric cars for its employees and aiming for a 70% electric or hybrid company cars in our car fleet by end of 2024. End of 2023, almost half of the company car fleet was electric or hybrid.
- An adapted organisational and working environment named "Sm@rter Together" whereby employees are offered the possibility to work more of the regular working hours from home or e.g. Ageas UK promoting a cycle-to-work scheme, with options to buy equipment free of tax and National Insurance. To be noted that the GHG calculation takes into account the effect of the emissions of a home office.
- A reviewed travel policy which aims to structurally reduce travel. For instance, Ageas representatives on local Boards of the Asian joint ventures will assist one on two local Board meetings virtually. In 2023, Ageas representatives attended half of these sessions virtually.
- Monitor buildings occupancy and further optimise workspace and resources usage. Various initiatives have been taken since 2022 such as the move from five older to two new state-of-art buildings in Portugal with BREEAM certification and the inauguration of the new AG Campus in Belgium. In 2023, Ageas new headquarters in Belgium were also inaugurated at the Manhattan building, which is in the process to obtain a BREEAM certification. Such moves have however entailed some months of duplicated energy consumption as preparatory works were made before the moving took place. Furthermore, renovations have also started in 2023 at the main Jacqmain building of AG in Belgium, introducing several energy saving measures, linked to, for instance, the airtightness of the building, the heating system (integrated in the ceiling) and the installation of a heat pump. The renovations are planned to be continued during 2024.
- IT initiatives, such as, the extension of the lifetime of devices, regular clean-up of IT storage and use of IT tools through an internal awareness campaign. And continuing on this journey, Ageas concluded in 2023 a partnership with 'Close The Gap', an organization that provides a 'second life' to IT equipment by re-cycling and/or re-using them in educational projects.

Going beyond…supporting our broker network in Belgium in their climate journey

In 2023, AG has launched 'Go4Impact' in Belgium, a platform dedicated to sustainability, targeting the 4,000 independent insurance brokers it relies on for the distribution of its products and support to the end customer in the event of claims. Through this online tool brokers can easily calculate the ecological footprint of their activities in detail and get inspired to reduce their CO_2 footprint through impactful actions tailored to their office.

After completing a questionnaire about their business activities, the Go4Impact platform provides concrete actions for brokers to reduce their emissions, such as, considering installing solar panels, making lease bicycles available for commuting, greening the company fleet, switch to electrical mobility, installing charging stations, among others. When brokers select actions, they can visualize the expected impact for their office in a personalised dashboard, allowing them to pick and choose those actions likely to have most impact. Brokers can also register for projects with an ecological or social approach.

Achieving carbon neutrality as a Group for the measured scope

In 2023, Ageas continued its climate journey to become carbon neutral at Group level by obtaining a renewed carbon neutral certificate, granted by CO2logic, for the scope of the measured GHG emissions of 2022, including Scope 1, 2 and part of Scope 3 within own operations, Also for the 2023 measured emissions, the process will be continued, confirming commitments and targets made at Group level, having reduction initiatives in place and supporting various offsetting projects, certified with the highest standards, such as the Gold Standard or Verified Carbon Standard. This recognition reflects the continuous efforts and measures put in place over the past years to progressively reduce the carbon footprint groupwide.

Beyond offsetting activities, the partnership started with Go Forest in 2022 has continued during 2023. Connected to certain corporate events in 2023, such as Ageas Partnership Days and Ageas Management Forum, 2,000 trees have been planted in addition to those already planted in 2022 across Belgium, Portugal, UK and India. Trees planted are monitored through satellite or drone technology by Go Forest and information on progress is accessible through their platform.

5.5.3 TCFD recommendations

Ageas also continues to adhere to the TCFD recommendations, deepening and aligning further reporting. As Ageas aims to embed sustainability in everything in everything it does, sustainability and climate matters are treated in an integrated way throughout the different chapters in this Annual Report. Ageas's approach can be found in note E Ageas's response to the TCFD recommendations.

How Ageas reached an important milestone in its climate journey

4 Emission factor of business travel increased compared to last year as the public database has been updated to reflect updated calculation science and post-covid load factors. Similarly, also the conversion factor related to teleworking (included in the value of commuting) increased due to updates in the estimated heat need and emissions in households.

5.6
EU Taxonomy

EU's ambition towards financing sustainable growth

The EU's ambition is to reach an economy with net-zero greenhouse gas emissions in the EU by 2050. To achieve this, the implementation of the European Green Deal foresees a reorientation of capital flows towards sustainable investments, integration of sustainability as a factor of risk management, encouragement for long-term and engaged investments and market transparency. To facilitate the Green Deal, the EU has, amongst others, issued two essential regulations which are the EU Taxonomy Regulation and the Sustainable Finance Disclosure Regulation (SFDR).

The EU Taxonomy Regulation provides companies, investors and policymakers with the definitions and criteria on which economic activities can be considered as environmentally sustainable, increasing the ratio of investments in more sustainable activities, and creating an environment to incentivise competitors to improve their economic activity to meet the sustainability standards as defined by the regulation.

Regulation (EU) 2020/852 (the 'Taxonomy Regulation') was published in the Official Journal of the European Union on 22 June 2020 and came into force on 12 July 2020. It sets out, among other things, transparency requirements for financial and non-financial undertakings in respect of how and to what extent the relevant undertaking's activities are associated with economic activities that qualify as environmentally sustainable. Under the Taxonomy Regulation, the Commission has been empowered to adopt a delegated act to specify the content and presentation of the information to be disclosed. This delegated act (the 'Taxonomy Disclosures Delegated Act') was adopted on 6 July 2021.

The Taxonomy Regulation presents six environmental objectives to which economic activities can contribute: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control; and the protection and restoration of biodiversity and ecosystems. The Commission has been empowered to adopt technical screening criteria for determining a.o. the conditions under which a specific economic activity qualifies as contributing substantially to these environmental objectives.

The first delegated act establishing the technical screening criteria with respect to climate change mitigation and climate change adaptation (the 'Climate Delegated Act') was adopted on 21 April 2021.

On 21 November 2023, the European Commission (EC) published the Delegated Regulation (EU) 2023/2486 the 'Taxonomy Environmental Delegated Act', which defines the technical screening criteria of the four other environmental objectives of the Taxonomy Regulation, specifically: sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. The Environmental Delegated Act also introduced changes to certain technical criteria of the Taxonomy Disclosures Delegated Act and the Climate Delegated Act.

Reporting requirements for insurance and reinsurance undertakings

Article 10 of the Taxonomy Disclosures Delegated Act provides for a phased entry into force of the disclosure requirements as from 1 January 2022.

Until 2022, reporting of financial undertakings such as Ageas were only required to report on the taxonomy-eligibility of their activities and their investment assets. For the accounting year 2023 Ageas reports for the first time on its key performance indicators over the taxonomy alignment of its activity and investment assets regarding only the two first objectives, meaning, climate change mitigation and climate change adaptation.

After publication of the Taxonomy Environmental Delegated Act, Ageas was expected to also publish taxonomy-eligibility of its activities and its investment assets for the four remaining objectives (sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems). Analysis of the environmental delegated act revealed that (re) insurance activities are not included as one of the sectors with the potential to contribute substantially to one of the four environmental objectives included. As for the disclosure of eligibility criteria of its investments to the four remaining objectives, due to the lack of data as of the publication of this report, Ageas is unable to disclose any level of eligibility based on reported or even estimated data.

In accordance with the Taxonomy Disclosures Delegated Act a 'taxonomy-eligible economic activity' means an economic activity that is described in the Climate Delegated Act or in the Taxonomy Environmental Delegated Act, irrespective of whether that economic activity meets any or all the technical screening criteria laid down therein and has the potential to be taxonomy aligned if it meets these requirements.

On the other hand, a 'taxonomy-aligned activity' means an economic activity that: (i) contributes substantially to one or more of the six environmental objectives, (ii) does not significantly harm any of these six objectives (DNSH), and (iii) is carried out in compliance with minimum safeguards (MS), which means that the necessary procedure are implemented to ensure alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

This third taxonomy reporting has been drawn up in accordance with the phase in calendar and requirements applicable to financial undertakings, as set out in Article 10(3) and Annexes IX, X and XII of the Disclosure Delegated Act, the provisions for the transition period and in accordance with the additional guidance where possible, given by the EU Commission in the different FAQs and Commission Notices in final version issued by the EU Commission.

This disclosure covers the entire Ageas Group, i.e. the insurance as well as reinsurance activities and other economic activities performed by other affiliates within the same consolidation perimeter.

The same scope of consolidation used for financial information in the consolidated annual report is used for the third report and as such, KPIs are disclosed according to the requirements of insurance and reinsurance undertakings, without separated disclosure of KPIs for the non-financial entities of the group as mentioned in the last draft of Commission Notice issued on December 21st, 2023. Ageas did not have sufficient time to perform a proper assessment of the best possible split of KPIs, but also, to collect data and develop a separate reporting. For next year and onwards, Ageas will reassess its position and consider the suitability of splitting the reporting by financials entities and non-financials entities.

Ageas's Non-Life underwriting activities – eligibility and alignment reporting

Considering the scope of the Climate and Environmental Delegated Acts, the scope of reporting is limited to eight lines of business of Non-Life activities underwriting climate related perils (Life activities are out of scope).

These lines of business (LoB) are the same as in the mandatory annual Solvency and Financial Condition Report (SFCR), although only eight out of twelve are retained in scope for taxonomy reporting. This existing reporting is used as the starting point for the gross written premiums (GWP) eligibility reporting on insurance activities. For the lines in scope of the EU taxonomy, analysis of the terms and conditions of the insurance policies was performed to validate climate peril coverage. As from 2023, for each LoB including at least one policy with explicit climate peril coverage the full amount of GWP of the LoB is considered as eligible, minus the GWP related to explicitly excluded insurance activities (e.g., insurance of storage of fossil fuels). The 2022 reporting however included the full amount of GWP of each LOB with at least one policy with explicit and/or implicit climate peril coverage. The change in methodology follows the most recent FAQ of the European Commission which clarifies the calculation of aligned GWP. The table below includes for 2022 two values for eligible premiums: one with only the explicit coverage and one, as reported last year, with explicit and implicit coverage. As these data come directly out of the financial information systems of Ageas, they are included in the mandatory disclosures table and there are no voluntary disclosures.

Current disclosure includes for the first time reporting on taxonomy aligned activities. Ageas has started its assessment of the different LOBs on the technical screening criteria (TSC), do no significant harm criteria and minimum safeguards. In summary, the TSC relate to modelling and pricing, product design, innovative solutions, data sharing and post-disaster service level. The current assessment of TSC and DNSH was focussed on one specific LOB for one type of customers. Sharing results and learnings will enable leveraging the assessment to other LOBs and types of customers, and over time to incorporate expectations in product design. As Ageas carries out economic activities in a responsible and respectful way, it is committed to complying with the minimum safeguards. For its assessment on how these minimum safeguards are implemented throughout the group, checks were performed against the Final Report on Minimum Safeguards issued by the Platform on Sustainable Finance, an independent advisory to the EU Commission (published October 2022). There are four topics addressed: human rights, bribery and corruption, taxation and fair competition. Furthermore, the report specifies two criteria to determine compliance with the minimum safeguards: (i) the implementation of adequate due diligence processes, internal controls, and grievance mechanisms and (ii) the absence of certain negative impacts or events, such as court convictions. The sustainability section of this annual report describes for each of these topics the policies and procedures in place and Ageas confirms that it did not have any interaction with an OECD National Contact Point or a Business and Human Rights Contact Center, nor has it been found liable by a court for violation of labour or human rights, anti-corruption, tax or competitions laws.
As the assessment is still ongoing, the current disclosure includes the outcome of the initial assessment only.

Economic activities (1)	Absolute premiums, year 2023 (2)	Proportion of premiums, year 2023 (3)	Proportion of premiums, year 2022 (4)(*)	Proportion of premiums, year 2022 (4)(**)	Climate change mitigation (5)	Water and marine resources (6)	Circular economy (7)	Pollution (8)	Biodiversity and ecosystems (9)	Minimum safeguards (10)
	Substantial contribution to climate change adaptation				DNSH (Do No Significant Harm)					
	Currency	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N
A.1. Non-life insurance and reinsurance underwriting Taxonomy-aligned activites (environmentally sustainable)	**244**	**5%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
A.1.1. Of which reinsured	120	2%	0%	0%	Y	Y	Y	Y	Y	Y
A.1.2. Of which stemming from reinsurance activity	0	0%	0%	0%						
A.1.2.1 Of which reinsured (retrocession)	0	0%	0%	0%						
A.2. Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (***)	**1,926**	**39%**	**44%**	**91%**						
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	**2,795**	**56%**	**56%**	**9%**						
Total (A.1 + A.2 + B)	**4,965**	**100%**	**100%**	**100%**						

(#) refers to the reference as included in the mandatory reporting table for financial undertakings as required in accordance with the reporting delegated regulation
** at the 2023 Ageas approach*
*** at the 2022 Ageas approach*
**** 2022 reporting includes all eligible GWP (aligned and not aligned) as no seperate reporting on alignment was required yet*

Ageas's investment activities - eligibility and alignment reporting

Taxonomy Regulation has introduced mandatory disclosure obligations on companies and investors in scope, requiring them to disclose their share of taxonomy-eligible / -aligned activities. This disclosure of the proportion of taxonomy-eligible / -aligned activities will enable a comparison of companies and investment portfolios.

For Ageas, with respect to its investment disclosures, it implies collecting and processing taxonomy-data (in accordance with the Taxonomy Disclosures Delegated Act) from the companies and projects in which it invests to enable compliant taxonomy-reporting. As such, Ageas relies on the availability, quality and quantity of taxonomy data obtained from the investee entities in its investment portfolio.

For the reporting of 2023 Ageas still faces limitations in terms of quantity and quality of data; not only because it is still 'work in progress' for many sectors of the economy, but also, because: (i) many investee companies are not subject to mandatory taxonomy reporting and do not report on a voluntary basis, (ii) differences between the annual date of publication of annual reports and (iii) the data over taxonomy alignment for the investee companies that are financial undertaking is, as it is for Ageas; to be published for the first time in 2024 and thus not available for this report.

Taxonomy disclosures must be based on actual information and estimates and proxies may only be reported on a voluntary basis and must not form part of the mandatory disclosures.

Consequently, the first section contains the mandatory disclosures of data for which Ageas disposed of actual and reported information. This section only contains data on its key performance indicators (KPIs) related to Ageas's investments activities and it is being draw up in accordance with the templates provided in the Disclosures Delegated Act.
The KPIs related to investments are calculated as the proportion of the investments that are associated with taxonomy-aligned economic activities in relation to its investments. In order to calculate these, Ageas may only rely on the underlying investee companies' KPIs to compute its own investment KPI and consequently the main investments for which Ageas disposed of data are those related to its exposures to certain corporates issuers except financial undertakings for the reasons explained above and certain real estate assets. In accordance with provisions of art. 7 of the Disclosures Delegated Acts, central governments, central banks, and supranational issuers are excluded from the calculation of the numerator and denominator of the KPI.

The total investments examined for the purposes of this reporting include joint ventures and intangibles.

The second section contains the voluntary disclosures of data which Ageas may not disclose in its mandatory Taxonomy report given the absence or insufficient reported data. This section contains information on its exposures to the infrastructure assets for which Ageas disposes sufficient information about their eligibility to taxonomy and, that are likely to be aligned to taxonomy; but it cannot report any degree of alignment due to insufficient data and adequate evidence as reported by the investee companies that these investments do not significantly harm to the remaining objectives and comply with the minimum safeguard standards according to taxonomy regulation.

The investments are reported in the overview below at fair market value as per 31 December 2023.

Mandatory Disclosures

The proportion of the insurance or reinsurance undertaking's investments that are directed at funding, or are associated with, Taxonomy-aligned in relation to total investments.

The proportion of the insurance or reinsurance undertaking's investments that are directed at funding, or are associated with, Taxonomy-aligned in relation to total investments			
The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below:		The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below:	
Turnover-based: %	1.50%	Turnover-based: [monetary amount]	987.52
Capital expenditures-based: %	2.25%	Capital expenditures-based: [monetary amount]	1,458.40
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities.		The monetary value of assets covered by the KPI. Excluding investments in sovereign entities.	
Coverage ratio: %	69.01%	Coverage: [monetary amount]	65,738.91
Additional, complementary disclosures: breakdown of denominator of the KPI			
The percentage of derivatives relative to total assets covered by the KPI.		The value in monetary amounts of derivatives.	
X %	0.23%	[monetary amount]	148.45
The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings:	8.15%	For non-financial undertakings: [monetary amount]	5,356.77
For financial undertakings:	-	For financial undertakings: [monetary amount]	-
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings:	5.42%	For non-financial undertakings: [monetary amount]	3,565.77
For financial undertakings:	-	For financial undertakings: [monetary amount]	-
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings: X %	8.97%	For non-financial undertakings: [monetary amount]	5,897.98
For financial undertakings: X %	-	For financial undertakings: [monetary amount]	-
The proportion of exposures to other counterparties and assets over total assets covered by the KPI:		Value of exposures to other counterparties and assets:	
X %	82.65%	[monetary amount]	54,335.72
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities:		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities:	
X %	2.00%	[monetary amount]	1,317.93
The value of all the investments that are funding economic activities that are not Taxonomy-eligible relative to the value of total assets covered by the KPI:		Value of all the investments that are funding economic activities that are not Taxonomy-eligible:	
X %	96.87%	[monetary amount]	63,681.43
The value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned relative to the value of total assets covered by the KPI:		Value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned:	
X %	1.12%	[monetary amount]	739.55

Additional, complementary disclosures: breakdown of numerator of the KPI			
The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings:		For non-financial undertakings:	
Turnover-based: %	0.82%	Turnover-based: [monetary amount]	535.99
Capital expenditures-based: %	1.60%	Capital expenditures-based: [monetary amount]	1,049.91
For financial undertakings:		For financial undertakings:	
Turnover-based: %	-	Turnover-based: [monetary amount]	-
Capital expenditures-based: %	-	Capital expenditures-based: [monetary amount]	-
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned:		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned:	
Turnover-based: %	1.50%	Turnover-based: [monetary amount]	987.52
Capital expenditures-based: %	2.22%	Capital expenditures-based: [monetary amount]	1,458.40
The proportion of Taxonomy-aligned exposures to other counterparties and assets in over total assets covered by the KPI:		Value of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI:	
Turnover-based: %	0.69%	Turnover-based: [monetary amount]	451.52
Capital expenditures-based: %	0.62%	Capital expenditures-based: [monetary amount]	408.49

Breakdown of the numerator of the KPI per environmental objective				
Taxonomy-aligned activities – provided 'do-not-significant-harm'(DNSH) and social safeguards positive assessment:				
(1)	Climate change mitigation		Transitional activities: A % (Turnover; CapEx)	
	Turnover: %	1.44%	Turnover: %	0.01%
	CapEx: %	1.97%	CapEx: %	0.04%
			Enabling activities: B % (Turnover; CapEx)	
			Turnover: %	0.42%
			CapEx: %	0.70%
(2)	Climate change adaptation		Enabling activities: B % (Turnover; CapEx)	
	Turnover: %	0.00%	Turnover: %	0.00%
	CapEx: %	0.01%	CapEx: %	0.00%
(3)	The sustainable use and protection of water and marine resources		Enabling activities: B % (Turnover; CapEx)	
	Turnover: %	-	Turnover: %	-
	CapEx: %	-	CapEx: %	-
(4)	The transition to a circular economy		Enabling activities: B % (Turnover; CapEx)	
	Turnover: %	-	Turnover: %	-
	CapEx: %	-	CapEx: %	-
(5)	Pollution prevention and control		Enabling activities: B % (Turnover; CapEx)	
	Turnover: %	-	Turnover: %	-
	CapEx: %	-	CapEx: %	-
(6)	The protection and restoration of biodiversity and ecosystems		Enabling activities: B % (Turnover; CapEx)	
	Turnover: %	-	Turnover: %	-
	CapEx: %	-	CapEx: %	-

Nuclear and fossil gas related activities

This next part of the mandatory reporting is the section dedicated to the investments in gas and nuclear activities which, since the publication of the Complementary Climate Delegated Act 2022/1214 of 9 March 2022 amending the Taxonomy Climate Delegated Act and the Taxonomy Disclosures Delegated Act, can be included within Taxonomy as sustainable transitional activities provided that they respond to specific circumstances and strict conditions.

The data over taxonomy alignment collected so far for these specific activities is very limited. Despite the limitations of the data, Ageas took the decision to show what is available for the time being waiting for the evolution of the availability and quality of this specific data and/or evolution of the regulatory framework for these specific activities.

Template 1 Nuclear and fossil gas related activities		
	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	**NO**
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	**YES**
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	**YES**
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	**NO**
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	**YES**
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	**YES**

Template 2 Taxonomy-aligned economic activities (denominator)							
	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM+CCA)		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3.54	0.01%	3.54	0.01%	0.00	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.03	0.00%	0.03	0.00%	0.00	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.01	0.00%	0.01	0.00%	0.00	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	1,317.93	2.00%	1,242.71	1.20%	1.57	0.00%
8.	**Total applicable KPI**	1,321.50	2.01%	1,246.28	1.21%	1.57	0.00%

Template 3 Taxonomy-aligned economic activities (numerator)							
	Economic activities	Proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM+CCA)		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1.68	0.00%	1.68	0.00%	0.00	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.03	0.00%	0.03	0.00%	0.00	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.01	0.00%	0.01	0.00%	0.00	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	987.52	1.50%	944.67	1.44%	1.57	0.00%
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	989.23	1.50%	946.39	1.44%	1.57	0.00%

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities

	Economic activities	Amount					
		(CCM+CCA)		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.16	0.00%	0.16	0.00%	0.00	0.00%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.24	0.00%	0.24	0.00%	0.00	0.00%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.29	0.00%	1.29	0.00%	0.00	0.00%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.27	0.00%	0.27	0.00%	0.00	0.00%
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	739.55	1.12%	673.91	1.03%	1,156.96	1.76%
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	741.52	1.12%	675.87	1.03%	1,156.96	1.76%

Template 5 Taxonomy non-eligible economic activities

	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	63,681.43	96.87%
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	63,681.43	96.87%

Further explanation on the tables above:

A. If gas & nuclear activities are taken into account, the total amount of taxonomy aligned economic activities in the denominator (Template 2, row 8) is higher than the amount of taxonomy aligned economic activities without taking into account gas and nuclear (Template 2, row 7). Furthermore, if gas & nuclear activities are taken into account, the total amount of taxonomy eligible but not aligned economic activities in the denominator (Template 4, row 8) is also higher than the amount of taxonomy eligible but not aligned economic activities without taking into account gas and nuclear (Template 2, row 7).

As a result, the total amount of taxonomy non eligible economic activities in the denominator (Template 5, row 8) is lower than the amount of taxonomy non eligible economic activities without taking into account gas and nuclear (Template 5, row 7). The difference is explained by the gas and nuclear economic activities that are taxonomy eligible and aligned (Template 2, row 1 to 6) and taxonomy eligible but not aligned (Template 4, row 1 to 6).

B. Some companies only report consolidated taxonomy figures without any split between climate change mitigation (CCM) and climate change adaptation (CCA). Some companies report consolidated taxonomy figures and taxonomy figures for CCM and CCA but the sum of CCM and CCA does not equal to the consolidated figures.

Additional information over the mandatory reporting

A. Corporate issuers

Ageas uses the data from an external ESG data provider to identify companies with reported taxonomy aligned revenues and reported taxonomy aligned capex. The coverage is rather limited as in terms of assets under management only 17% of our corporate issuers disclosed taxonomy alignment data.

B. Real estate

The information on these assets is built directly by Ageas following the data as reported by investee companies and based upon an EU Taxonomy screening assessment performed by an external consultant in accordance with the detailed descriptions in the Delegated Acts. The real estate portfolio represents about 9% of total assets under management of which 5% is aligned to EU Taxonomy and almost entirely related to the activities of AG Real Estate.

C. Central governments, central banks and supranational issuers, derivatives, non-NFRD

Regarding the exposure to central governments, central banks, and supranational issuers, it is worth noting that these represent a significant part of Ageas's investment portfolio, i.e., some 31% of total Assets Under Management which is explained by the fact that as an (re)insurance group Ageas has mainly long-term Life liabilities with a long duration.

Derivatives which represent 0.1% of total assets under management are also treated separately and form part of the denominator by default for the purpose of calculating the KPI given that presently the EU's current view is that derivatives are primarily used in mitigating counterparty risk rather than to finance an asset or an economic activity.

Companies not subject to Non-Financial Reporting Directive for which specific data are available via a data provider, are part of the denominator but excluded from the numerator.

Voluntary disclosures

Investments in infrastructure projects

Around EUR 1.2 billion is invested in taxonomy eligible infrastructures. These represent about 1.3% of total assets under management and are investments in infrastructure projects financed via loans or funds mainly through AG (Belgium) that were reported up to last year in the mandatory section of the reporting where only the eligibility to taxonomy was required to be disclosed, and for which Ageas disposed of sufficient information so as to state its eligibility given these represent investments, amongst others in renewable energy infrastructure, public transportation and waste management. Although these are likely to be aligned to taxonomy, because of the lack of information or incomplete information regarding their compliance with the EU taxonomy, especially regarding DNSH and MS criteria, Ageas is unable to state that these activities are aligned to taxonomy and as such can only report their eligibility to taxonomy instead.

Complementary Information about the Taxonomy Reporting

As already mentioned, the scope of this reporting is still limited due to the availability of the data over alignment and the constant evolution of the regulatory environment that makes the provision of data by companies to the standards expected, and disclosure of this information to its investors, customers and other stakeholders complex.

Most of the investments made by Ageas that are aligned to taxonomy are investments in corporate issuers. As said previously, the information over alignment to taxonomy objectives obtained from our data provider is limited, for the time being, to the two first objectives.

Given this situation, the weight of the financing of Taxonomy-aligned economic activities in Ageas overall activity is still very low and represents 1.50% (turnover) and 2.25% (capex) over total assets under management excluding exposures to central governments, central banks, and supranational issuers. It is important however to mention that although Ageas cannot state the eligibility or alignment to taxonomy for the remaining investments, these are nevertheless selected following the responsible investment approach which is applicable to all its investments.

Ageas is conscious of its role in society and has clearly reflected this in its Impact24 strategy, with strong targets in terms of products, services, and investments.

As a global insurer, Ageas plays a role in protecting its customers against adverse events so that people can continue to live, save, and invest with peace of mind. There are three main targets focused on best-in-class service to its customers: 25% of its gross written premiums should come from products that stimulate the transition to a more sustainable world, ensuring all products have been reviewed for transparency, with the aim of a top quartile customer Net Promoter Score (NPS) demonstrating appreciation by customers. Ageas is continuously searching for these kinds of opportunities also in its Non-Life portfolio, for example, via its repair instead of replace option, drive less option or "build back better" (more information to be found in the note 5.3 Our products).

All the above is formalised in its product policy framework. For instance, the product approval process policy (PRAP), explicitly includes ESG criteria within the product design phase and an assessment by the relevant stakeholders of the extent a product creates sustainable value.

For the Non-Life reinsurance activities that concern internal activities to pool group reinsurance protection, the same principles are automatically applied in its policies as explained above. In terms of managing its investments, Ageas applies a long-term vision based on prudence, responsibility, and sustainability. The company's approach to sustainable and responsible investing is based on three principles:

- the exclusion of controversial activities: in accordance with current regulations and recognised standards and based on its own convictions and beliefs, Ageas identifies and excludes countries, sectors and companies that have a negative impact on society and the environment;
- the incorporation of environmental, social and governance factors in the investment decision process: to mitigate the principal adverse impact of its investments, the portfolio managers take into account relevant ESG factors in all investment decisions; and
- the voting and engagement policies in respect of corporate issuers: as a responsible investor, Ageas exercises its voting rights and engages with some selected companies on ESG practices according to its policies in this matter. The objective is to influence the activity or behaviour of a company and to reduce the sustainability risk of its portfolios.

The responsible investment approach of Ageas is described in a general framework for sustainable and responsible investments which is applicable to all its investments in general. Specific responsible investment frameworks have also been developed for investment-based insurance products that have obtained a Belgian reference label, a quality standard for sustainable and socially responsible financial products.

For its investment-based insurance products, Ageas and more specifically its operating entities have been subject to the Sustainable Finance Disclosure Regulation since March 2021 and comply when applicable to the requirements that have become effective since then and believes that certain criteria, such as for instance, the consideration of the principal adverse impacts of an economic activity should be observed during a certain period of time in order to give an appropriate interpretation and to establish measures that alleviate the negative effects.

Ageas's Impact24 strategy includes the commitment to invest at least EUR 10 billion in assets making a positive contribution towards a more sustainable world by 2024 and to achieve net-zero carbon emissions in its investment portfolio by 2050 at the latest. To support its ambition, in 2022 Ageas joined the UN-convened Net Zero Asset Owner Alliance (NZAOA), a member-led initiative of insurers, pension funds and foundations, committed to transitioning their investment portfolios to net-zero greenhouse gas (GHG) emissions by 2050. Concretely, Ageas targets to, along with its Impact24 strategy: (i) reduce Greenhouse gas emissions intensity in the equities, corporate bonds and infrastructure portfolios (held by European consolidated entities) by 50% by 2030 (base year: 2021), (ii) decarbonise real estate investments based on CRREM 1.5°C national pathways by 2030 (iii) through asset managers and/or collective engagement initiatives, focus on the portfolio's 20 highest GHG detractors and encourage them to take action to meet the European Commission's net-zero ambition. and (iv) to invest at least EUR 10 billion in assets making a positive social and environmental impact by 2024 and dedicate at least EUR 5 billion towards climate related investments.

Ageas's view on the way forward

The current regulation does not contain specific or detailed guidance or requirements on how far reaching (some) of the TSC for (re)insurance are. It is expected that this will become clearer with additional guidance.

In 2023 there has been an evolution in terms of the quantity and quality of data available for reporting on investments yet, still not sufficient, and certainly it did not meet all the requirements to the extent it had hoped for this year. It was expected to already disclose the eligibility for the four remaining objectives but unfortunately data is still lacking for a significant part of the assets that, although eligible, Ageas does not have all elements in hand to determine its alignment to taxonomy. The current approach to the production of taxonomy-related disclosures will certainly evolve over the coming years.

5.7 Safe, secure and compliant insurance

The four impact areas reflect Ageas's strategy and its ambition towards its stakeholders. For an organisation to thrive it implies a solid base of appropriate conduct and support for society as a whole. This links back to one of the highly material topics: Responsible governance. The section first elaborates on how Ageas brings ethics and integrity to life every day: by being explicit about the responsible business conduct expected of its employees; establishing how to handle sensitive data of employees and customers, and clarifying what it expects from its suppliers; and as a responsible taxpayer in society. Furthermore, Ageas has another role to play in society, beyond its business activities. This is described in the second part of this section, as a deep dive into Ageas's philanthropic activities.

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5.7.1 Ethics and integrity, the pillars of responsible business conduct

Sound business practices rest upon a consistent series of ethical fundamentals: striving towards the highest integrity, fighting against corruption and fraud, rejecting unacceptable practices and behaviours, preventing criminal activities, contracting with trusted and reliable parties, and globally maintaining an effective compliance culture.

At Ageas, these principles are translated into a consistent set of policies and codes of conduct: the Ageas Policy Framework. This framework is an essential element of the global group governance; it is based on the regulatory environment in which Ageas operates while reflecting an analysis of the risks to which the group is exposed from an integrity, governance, social and environmental perspective.

The Ageas's Policy Framework is carefully managed and followed-up, according to well-defined processes, including their (re-)approval by the Board of Directors. Its applicability extends to all subsidiaries of the group along a consistent and relevant set of rules. It touches upon all aspects of Ageas's business, of which the most significant ones in relation to ethics and integrity are corruption, conflict of interest, fit and proper, insider dealing, sanctions, anti-money laundering and countering terrorist financing, treating customers fairly, whistleblowing and complaints handling.

These topics are monitored in the context of the global control activities of the group and reported upon up to the top management, being the Executive Committee and the Board of Directors.

Zooming on the prevention of corruption

Ageas has a policy in place that is specifically dealing with anti-bribery and corruption. It describes the frame of mind in which Ageas intends to operate and to do business and sets out the principles and rules to abide by to avoid committing or seeming to commit an act of active or passive corruption.
The leading principle is the prohibition of bribery, active or passive, direct or indirect, in any form.

A series of controls are in place to prevent corruption. All staff members are required to abide by strict criteria when receiving or proposing gifts, advantages, invitations, and hospitalities, and are subject to a risk-based approach, including an obligation of notification to the Compliance department in certain cases. Any irregularity is reported to the top management bodies.

Other compliance policies provide for a series of processes that jointly form a beam of protective, detective and monitoring requirements to preclude corruption and more generally criminal activities, in the field of conflicts of interest, personal financial transactions and insider dealing, anti-money laundering, application of sanctions, and the fit and proper framework. The whole Ageas Policy Framework includes principles and rules that contribute to prevent corruption, specifically the acceptance and due diligence requirements towards third parties, suppliers, vendors. Two major ones are the Procurement and the Outsourcing policies.

Ageas's positioning towards lobbying reflects its concern to prevent corruption: it was outlined in a guidance note in 2021, approved by the Board of Directors. Discussion at the Board and Executive Committee confirmed the commitment included in the Anti-Bribery and Corruption policy that Ageas prohibits Ageas, its employees or agents from making direct or indirect contributions to political parties, organisations or individuals engaged in politics as a way of obtaining advantage in business transactions. The 2023 total expenses on corporate memberships to sector and professional associations across Ageas Group equal EUR 3,9 mio. Reporting lobbying activities in the EU transparency register is for companies that are performing these lobbying activities with the aim of influencing the European institutions such as the European Parliament, EU Council and/or the European Commission. Review of Ageas's activities revealed that Ageas does not perform any of these lobbying activities. Therefore, Ageas has decided to cancel its registration in the EU transparency register.

The number of convictions for violation of anti-corruption and anti-bribery laws are carefully monitored by the holding company and all the subsidiaries and, in 2023, no such convictions were reported involving Ageas staff members.

More info on topics covered by Ageas's policies is available on Ageas's sustainability website

Protecting your data carefully

(Personal) data is a vital asset for Ageas and is treated in that way. With increasing digitalisation leading to a larger digital footprint and greater complexity, its importance and attractiveness is growing, together with the need to protect it. Combined with information, data can give insights about customers, products, and services. It can also help innovate and reach strategic goals. However, when not correctly managed it can be exposed to information security risks and/or risks of non-compliance with regulatory and legal requirements. That is why Ageas implemented a Data Management and Information Security framework to ensure:

- safeguarding of (personal) data of all data subjects (customers, employees, suppliers, investees);
- compliance with laws and regulations;
- the continuity of day-to-day operations;
- the ability to make consistent and ethical decisions about the value of data;
- the reputation of Ageas.

Ageas's commitments:

- We implement leading industry standards on both information security (ISO 27 series / ISF SoGP) and data protection (ISO 27K / ENISA).
- We only collect and process personal data for its stated purpose.
- We do not sell personal data to third parties for commercial purposes.
- We ask for clear, specific, and informed consent when processing personal data.
- We continuously invest in information security and data protection measures.
- We treat data ethically.

The Data Management framework and Information Security framework are part of Ageas Group's Enterprise Risk Management framework (for more information on Governance of such frameworks see General Notes C Risk Management) and consist of policies and standards describing the governance, roles and responsibilities, processes, and tools. The Data Management policy and Information Security policy are inspired by international standards such as ISO 27K series as well as by industry best practices regarding data management (DAMA Guide to the Data Management Body of Knowledge from the Data Management Association (DAMA-DMBOK)) and information security (Standard of Good Practice (SoGP) from the Information Security Forum (ISF)). The existing framework is reviewed on a periodic basis to include any updates in line with global and local regulations or industry standards. As with any other Ageas policy, these policies are mandatory for all Ageas subsidiaries and should be implemented on a best effort basis by Ageas affiliates. Based on these frameworks Ageas has deployed a tight frame of controls throughout the group.

Ageas is committed to the protection of (personal) data, putting it at the core of its processes. Ageas does this by complying with all legislative data protection requirements of which the EU General Data Protection Regulation (GDPR) is the most important. The Data Protection standard, being part of the Data Management framework, is in line with GDPR. It consists of rules and principles relative to the processing and protection of personal data within Ageas's consolidated entities. These rules give more rights to data subjects, on the one hand, and provide strict and formal rules for Ageas when processing personal data, on the other hand. The Privacy statements of each European subsidiary explain how Ageas has translated GDPR into its day-to-day operations. Adequate controls are in place around the processing of personal data by third parties on behalf of Ageas.

All European consolidated entities within Ageas Group have adequate processes in place to detect, analyse, register, report and mitigate data breaches. Each data breach is evaluated in line with industry standards based on an incident severity assessment and reported if necessary to the local Data Protection Authority. Where needed, data subjects are also informed appropriately. In 2023 0.3% of all reported data breaches were reported to authorities (compared to 1% in 2022). Towards data subjects, the DPO is making sure that the individual's fundamental rights as defined in GDPR (e.g., facility to make a request to erase, restrict, rectify, or withdraw consent to the processing of personal data or file a complaint) are fully respected. The Data Protection Officer (DPO) escalates issues to the local Data Protection Authority (DPA) in the event that the entity processes personal data that may cause damage and/or distress to the data subjects. An annual GDPR compliance maturity assessment is performed by each European controlled entity, of which the results are included in the annual Group DPO report to the Board of Directors.

The consequences of inadequate information security can have devasting impacts on (personal) data managed by Ageas. The Information Security framework is set up to protect all Ageas information assets (incl. (personal) data) from a wide range of threats (e.g., malware, computer hacking, denial-of-service attacks, computer fraud, phishing, social engineering, unauthorized disclosure of data, fire, etc.). This is achieved by implementing a suitable set of non-technical measures such as policies, processes, procedures, guidelines, governed by organisational structures, and technical controls including perimeter control, access control, monitoring, and secure coding controls. For each information security aspect, the information security framework defines a minimum level and/or an ambition level of implementation. An annual information security maturity assessment (based on the ISF Security Health Check questionnaire) is performed by each controlled entity. This assessment is subject to an independent review, and the results are reported to the applicable risk committees and the Board of Directors. All controlled entities are in scope of the ISO27001 certification programme. Currently, AG Insurance (Belgium), Ageas Regional Office Hong Kong, and AFLIC (India) are already ISO27001 certified.

Ageas invests in permanent awareness and mandatory training related to both information security and personal data management processes. A wide programme of training is organized in every entity of the group throughout the year. There is a mix of centralised training material cascaded from Corporate Centre and subsequently tailored to local needs and decentralised material that each business has developed. Similarly, there is a mix of mandatory and voluntary training. Training initiatives can take various formats: e-learning, interactive modules, presentations, workshops, deep-dive sessions. These training sessions are tailored to the target audience in terms of content, frequency, and timing, which can range from a selection of employees based on their specific needs or areas of work, to all employees at any level (e.g. regular phishing tests). The objective is to reach 100% of the defined target audience. In each entity, there is a mandatory welcome programme for new employees. This is complemented by regular awareness campaigns run via internal communication channels such as corporate social network, intranet, or e-mails.

Supporting the Compliance Culture

The tone from the top

The Board of Directors and the Executive Committee set the tone from the top. They are kept informed of the outcome of control and monitoring activities, on a continuous basis, along a formal beam of channels, committees, and reports, so that they are provided with a substantiated view of the level of compliance of the group and a documented account of detected areas where remedying actions are required. The robust control framework and their in-depth understanding enables top management to set the tone from the top and exercise their accountability.

Training and awareness

Training initiatives are essential to supporting the compliance culture and maintaining awareness towards ethics and conduct in the whole group. A wide programme of training is organised in every entity of the group. Besides the technical and business-specific training, the Compliance function deploys a wide and continuous compliance training programme for employees and management.

Training initiatives can take various forms: eLearning, classroom training, interactive modules, webinars, presentations, workshops, deep-dive sessions. They include a series of mandatory and voluntary trainings, and participation is followed up as part of the reporting towards the managing bodies. The objective is to reach 100% of the target audience.

The curriculum is tailored to meet the training needs as adequately as possible and includes relevant elements like ethics and deontology, governance and policies, conflicts of interest, corruption, prevention of criminal activities, anti-money laundering and countering terrorist financing, treating customer fairly and product approval process, third party transactions. The training sessions involve the relevant audience with respect to content, frequency and timing, and the target audience can range from a selection of employees based on their specific needs or areas of work, to all employees at any level.

In each subsidiary, there is a mandatory welcome programme for new employees, presenting and explaining the ethical principles and compliance obligations, with an explicit focus on employees' obligations as regards governance and policies, how to deal with personal transactions, gifts and advantages, conflicts of interest and complemented with a series of topics such as the whistleblowing framework, and general rules on competition.

The training curriculum is under constant scrutiny to keep it fit for purpose and upgraded as necessary. Weaker areas are identified so that the programme can be adjusted accordingly.

Remaining in control

Ageas has deployed a tight frame of controls throughout the group. As owner of key policies of direct importance in the fight against corruption, the Group Compliance department or function, referred to as Group Compliance, being a second-line independent control function, plays a determining role in the group-wide deployment of the preventive frame. It is par excellence the transmission belt to establish and maintain consistency of principles and approaches in all subsidiaries to fight corruption.

Besides, Compliance Functions at holding and subsidiary levels are responsible for monitoring and providing reasonable assurances across the Group. Compliance Functions conduct their monitoring and control activities, along a structured, appropriate and proportionate approach in detecting potential and effective non-compliances, subsequently assessing the residual compliance risks, and defining remedying actions. Those are followed up and reported to the Group Executive Committee and Management Committee, up to the Board of Directors. This monitoring is based on a well-defined and regularly updated methodology, involving analysis and testing, and leading to the issuance of formal compliance statements.

Compliance also verifies that appropriate controls and/or due diligence are effectively conducted in a series of fields, such as third-party review for proper identification, absence of conflict of interest, AML/CTF requirements, Sanctions, FATCA and CRS status, in contract reviews by the Legal department, in the monitoring of remunerations and inducements to and from distributors, in the fit and proper monitoring.

Human rights

Respect for human rights by Ageas is a key underlying element of its global policy framework. As a “supporter of your life”, Ageas is committed to conducting its business in a manner that respects the rights of all human beings. Ageas fully subscribes to the United Nations (UN) Universal Declaration of Human Rights (UDHR) and the International Labour Organisation’s (ILO) Core Conventions. Underpinned in Ageas’s culture of integrity, Ageas is committed to complying with applicable legal requirements and internal policies on the subject, and to respect internationally recognised human rights, avoiding complicity in human rights abuses, as stated in the UN Guiding Principles on Business and Human Rights.

In 2020, Ageas formally subscribed to the Ten Principles of the United Nations Global Compact (UNGC) which includes two principles focused on the topic of human rights, namely:

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.
- Principle 2: Businesses should make sure that they are not complicit in human rights abuses.

To support the identification, management and reporting of salient human rights issues in line with the expectations set by the UNGC, a business-wide human rights risk assessment was carried out for the first time in 2021. This year, the assessment was updated.

1. Setup

Ageas updated its 2021 human rights risk questionnaire, based on the UNGC self-assessment tool and upcoming European reporting requirements on the topic of human rights. Internal stakeholders within the consolidated entities were asked to complete the questionnaire. The assessment for Touring, a recent acquisition, is still ongoing.
The purpose of this survey was to update the insights on how the consolidated entities manage their salient human rights risks through policies and procedures. The latter includes due diligence processes and grievance mechanisms. In particular, businesses were asked the following types of questions:

- What are the most salient human rights risks for the undertaking?
- Are human rights risks explicitly addressed in existing policies?
- Is there a due diligence process in place to proactively manage potential and actual adverse human rights impacts that are related to the business activity?
- Are operational-level grievance mechanisms in place?

2. Initial, high-level results

Identifying salient human rights issues is about assessing which rights are most at risk through the company’s activities and business relationships, and therefore where to focus attention and resources. Based on the responses received from the entities, four frequently recurring salient human rights risks were identified. These are shown in the table below. Similar to the previous assessment in 2021, results indicate that the different businesses have in place a wide range of policies and procedures to manage the identified risks, in line with the policies and minimum standards defined at group level. Some entities have more mature processes and controls in place than others, highlighting opportunities to share best practices across the consolidated entities.

Depending on the company’s activities, Ageas has multiple roles, each with a (slightly) different approach according to the different salient risks identified.

	Potentially impacted stakeholder group			
	Employees	Customers	Investee Companies	Business partners
Discrimination	☑	☑		
Reputational risks related to doing business with customers, sectors and/or countries that violate human rights		☑	☑	☑
Digital security/privacy	☑	☑	☑	☑
Safe & healthy working environment	☑		☑	☑

As an employer

In line with the ambition to be a 'Great place to Grow', Ageas endeavours to create an open, diverse, and inclusive environment, for all employees to feel welcomed, respected and having the opportunity to realise their potential, as is confirmed in Ageas's Human and labour rights – Guiding principles.

As an employer, Ageas places significant importance on diversity and inclusion in the workplace. A zero-tolerance approach is taken to any form of bullying, harassment, or discrimination. Ageas's commitments on this topic are further detailed in its diversity and inclusion policy as well as its code of conduct. Similar policies or codes are in place at the consolidated entities. In the event of an incident of discrimination incident occurs, the affected party can raise this via the Ageas Integrity Line or the Internal Alert System. Other initiatives include employee engagement surveys to gauge staff sentiment. Another important topic is health and safety in the workplace. Specific guidelines are in place to ensure a safe and healthy working environment for all employees. Finally, the confidentiality of employee data is crucial to Ageas (see above in this note). The European General Data Protection Regulation (GDPR) has imposed strict rules to all European companies on personal data management, not only for employees but also for customers and other stakeholders. To ensure that personal data is managed in a consistent way across the organization, Ageas has implemented an appropriate set of both non-technical and technical measures, ranging from policies and processes to specific tools and controls.

And finally, Ageas's Suitability Framework outlines the rules, standards and processes designed to ensure that specific bodies and individuals entrusted with managerial duties are at all times fit and proper.

More information on Ageas's initiatives can be found in note 5.2 Our employees.

As an insurer

As an insurance provider, Ageas strives to provide insurance products and services that meet the demands and needs of its customers, protecting them against adverse events so that they can continue to live, save, and invest with peace of mind. Within the Impact24 strategy, Ageas has raised the bar by focusing efforts on supporting customers in the transition to a more sustainable world while reviewing its products for transparency.

As global insurer, Ageas is conscious of the potential adverse effects on its customers' well-being including standard of living, and eventual financial distress, if their circumstances and needs are not adequately understood. The principle of 'Treating Customers Fairly' (TFC) has been central to Ageas's culture and built into its operating models and procedures.

Ageas's TCF Policy sets minimum standards to ensure fair outcomes for customers, meaning that product and service solutions meet identified customers' needs, that customers are provided with clear, complete and transparent information and sound advice, that customers are informed about what is and what is not covered by the product and that they do not face unreasonable post-sales barriers to change product, switch provider, and/or submit a claim. Complementary, in accordance with Ageas's Complaints Handling policy, customers are able to submit a complaint via any 'direct channel' (mail, email, fax, phone…) to ensure they are fairly treated.

Ageas's Product Approval policy and process include considerations on ESG factors (including, social inclusion, affordability, and human rights issues, among others) when developing and launching new products or making material changes to existing products.

A comprehensive suite of metrics exists to monitor product performance such as claims volumes, claims repudiation rates, loss ratio, complaints, target market coverage, … and action is taken to address any weaknesses identified to minimise customer detriment. Through the Impact24 strategy, Ageas is focusing even more on continuous improvement in the customer experience, including an explicit target on customer NPS linked to management performance.

Ageas also aims to take care of the most vulnerable in society, looking at solutions that make insurance more affordable and more accessible.

Further information on initiatives taken through our Operating Companies can be found in note 5.3. Our Products.

5 Complaint is defined in the Complaints Handling policy and means a statement of dissatisfaction addressed to an (insurance) undertaking by a person relating to the (insurance) contract or service he/she has been provided with.

As an investor

Insurers are significant institutional investors and Ageas is no exception. Having a long record in sustainable investments, Ageas is continuously finetuning its responsible investment approach in line with stronger sustainability ambitions set by the Impact24 strategy.

The signature of the UN Principles of Responsible Investment (PRI) at the end of 2018, has progressively resulted in ESG factors becoming a fundamental cornerstone in Ageas's investment decision framework. Integrating considerations on human rights related risks into negative and positive screening processes is one of the elements considered within Ageas's Responsible Investment Framework. For instance, countries subject to international sanctions or financial embargoes, amongst others for reasons related to human rights violations, are excluded from the investment universe.

Ageas's Responsible Investment Framework also sets an expectation for companies to respect the ten principles of the UN GC in the area of human rights, labour rights, environment, and business ethics. For screening purposes in this respect, Ageas is supported by an external ESG data provider to help identify companies in breach of one or more of the UNGC principles. Specific exclusions lists are drawn up (and reviewed at least twice a year), upon which internal managers and external managers via managing mandates must comply.

Ageas's Responsible Investment framework is implemented in all European consolidated entities. AFLIC, the newly consolidated entity, has implemented a similar investment framework.

Further information can be found in note 5.4. Our Investments.

As a procurer of goods and services

As a procurer of goods and services, Ageas has relationships with many suppliers from which products or services are purchased.

Ageas' expectations of vendors are established in the Procurement and Outsourcing policies. All subsidiaries are expected to comply with these policies. Policy principles include that vendors must respect all internationally proclaimed human rights and be guided in the conduct of business by the provisions of the UN UDHR and the International Labour Organisation core conventions. Separate expectations are also set regarding health & safety and discrimination in the workplace.Entering supplier and service provider relationships is subject to satisfactory responses to human rights and ESG related questions within the due diligence process. Clauses are included in certain contracts that require third parties to alert Ageas to any breach of laws, regulations, and internationally accepted standards in short notice. Ageas usually has audit rights to ensure that such contractual clauses can be enforced.

Within the Incident Reporting policy, Ageas Internal Alert System is also available to temporary (agency) staff and people hired to work on specific projects at Ageas.

Further information can be found below in sub-section “Setting sustainability expectations to suppliers”.

Given the importance of this topic, Ageas will continue to provide an annual update on efforts to respect human rights and further accelerate initiatives to deliver positive social impact both internally and externally, leveraging resources and expertise across the Group.

Whistleblowing

The global reporting environment would not be complete without a path to capture situations or circumstances that may have adverse consequences. At Ageas, several channels serve this purpose and are all gathered under Whistleblowing.

The Compliance Incident Reporting Policy (a.k.a. the Internal Alert System) allows reporting of wrongful situations or incidents that have or could have serious adverse consequences for the financial standing, performance and/or reputation of Ageas via a well-structured process, available to employees and third parties. There may be occasions when an employee or third party has genuine concerns about such a wrongful situation. The process enables the escalation of such concerns swiftly to the appropriate source for investigation and resolution, in confidence and without fear of reprisal. Any case is always handled with the highest respect for confidentiality.

Another channel through which incidents can be detected, is the Complaints Handling process. A Complaints Handling policy is in place, that sets out the implementation rules to deal with complaints[5] formulated by customers and policyholders, shareholders, suppliers, and other external parties. It stems from Ageas's commitment to ensure that all its stakeholders are treated fairly. This is translated into the company's duty to inform policyholders and other stakeholders about the arrangements in place for lodging complaints, as well as the process for handling them.

Lastly, dedicated channels have been implemented in the consolidated entities in scope in line with the EU directive on Whistleblower Protection and national transposing laws.

Setting sustainability expectations to suppliers

Ageas not only focuses on a more environmentally friendly management of its operations but aims to manage the organisation in a socially responsible way, expecting the same from its suppliers. In addition to the update of the Group procurement policy in 2022 by integrating ESG criteria formally into its supplier assessment process, in 2023 an ESG questionnaire was created for all key suppliers to be completed. All European consolidated entities are using the questionnaire to be completed for all key suppliers and/or impose specific local additional requirements when requesting an offer, e.g., in the case of the purchase of IT equipment or when selecting the supplier for catering in Ageas offices.

Ageas, a responsible taxpayer

Ageas always operates as a responsible taxpayer with adequate processes and controls in place to enable all tax liabilities are accurately calculated and all taxes due are paid in a timely fashion. As such, Ageas respects all international and national tax legislation in all countries in which it operates. Ageas does not engage in artificial structures that have no commercial substance and are intended solely for tax avoidance. With this engagement Ageas takes up its responsibility towards the local communities as an employer and a local stakeholder with the aim to fundamentally support the local economies and its citizens. All corporate and local taxes for the consolidated entities are reported in a transparent way. As a result of the implementation of IFRS 17/9 the 2022 reported figures have been adapted and differ from the ones reported in the 2022 Annual Report.

5.7.2 Philanthropy activities

Ageas believes that it has a duty of responsibility to play a meaningful role in supporting society, bringing to life its purpose as a supporter of the lives of its stakeholders. For Ageas this support takes many forms and includes initiatives that touch on poverty and hunger, education and literary, sport, art, health, and inclusion. We pay particular attention to those areas of engagement that align most naturally with our business, where we believe we can make most impact, specifically education, with an emphasis on financial literacy, health and wellbeing, and inclusion. In 2023, Ageas invested some EUR 4.9 million in philanthropic initiatives, bringing to life its purpose as a "Supporter of your life".

In focusing on financial literacy Ageas prioritises the education of young people, recognising that financial literacy matters as it forms the backbone of future societies. By investing both in the development of its own people and more broadly in future generations at every level of their development, in an inclusive way, Ageas believes that it is contributing towards the development of a stronger and more stable society, while helping to create opportunities for people to thrive and grow.

Health aligns with Ageas's focus on the health sector and its increasing engagement in different aspects of the health ecosystem. Support takes many forms and comes at a time when so many healthcare services are under increased stress. As well as expanding access to basic healthcare services, Ageas believes in the importance of preventative health measures encouraging good health and wellbeing practices.

In supporting the concept of Inclusion Ageas confirms its commitment to inclusivity in its widest sense, starting with the accessibility of its core products but going a step further. Ageas believes that inclusive societies are strong societies and that all opportunities to increase accessibility to those aspects of society and life we often take for granted are important.

Follow this link for a detailed overview of the initiatives Ageas supports.

5.8 Sustainability and non-financial indicators

This section includes a full set of the sustainability and non-financial indicators for the different impact areas, with comparable data as at 31 December 2023 and 2022. More information on initiatives, actions and targets can be found in the related sections above.

5.8.1 Our employees

Workforce	2023	2022
Headcount Ageas Group	50,395	44,230
Headcount consolidated entities	16,163	14,673
Average age (# years)	42.5	42.6
Average seniority (# years)	9.4	13.8
Turnover (%)	17%	11%
Vacancies (%)	6%	5%
Diversity & Inclusion		
Male/female (total split in %)	50% - 50%	45% - 55%
Balanced succession pipeline top 300 (top 800 minus top 300, male / female) (*)	62% - 38%	63% - 37%
Male/female senior management (top 800, split in %) (*)	64% - 36%	65% - 35%
Male/female top management (top 300, split in %) (*)	67% - 33%	68% - 32%
Male/female executive management (split in %)	80% - 20%	80% - 20%
Male/female board of directors (split in %)	46% - 54%	60% - 40%
Nationalities at head office (number)	23	24
Nationalities at consolidated entities (number)	87	68
Glass Ceiling Index (GCI)	65%	57%
Gender Diversity Index (GDI) (**)	0.87	0.75
Gender pay gap (lowest / highest, in %) (***)	11% - 28%	14% - 27%
Gender pay gap (weighted average, in %) (***)	21%	23%
Employee engagement(****)		
eNPS score	62.9	56.0
eNPS score (consolidated entities)	67.4	56.7
Employee engagement score	79.3	78.4
Employee engagement survey (% participation rate)	83%	88%
Denison Global Organisation Culture Survey (participation rate in %)	-	65%
Employee development - Ageas Academy		
Number of participants		
Instructor-led programmes	544	481
Dare Series	589	784
Online	1,763	3,303
Number of programmes (instructor-led & dare series and online)	40	49
Average quality & content score from 1 (lowest) -10 (highest)	8.8	8.7
Employee development		
Training hours per headcount	34	34
Employee participation in training (in %)	88%	98%
Employee well-being		
Total Absenteeism due to illness (%)	6.5%	5.9%
Short term absenteeism due to illness (%)	2.3%	1.8%
Long term absenteeism due to illness (%)	4.2%	4.1%
Remuneration		
Total employment costs (in EUR mio)	1,048	922
Ratio of average to CEO salary	23.1	21.8

n/a Not applicable
The scope of the indicators above are all consolidated except Touring, unless otherwise indicated, except for headcount which also includes Touring.
For 2022, AFLIC, Anima and Interparking are only included in the KPIs "Headcount Ageas Group" and "Headcount consolidated entities".
(*) Scope of indicator is all consolidated entities except for AFLIC, AG Real Estate, Interparking, Anima and Touring
(**) For 2022 and 2023, own estimate based on available information and methodology. To be confirmed by EWoB report(s)
(***) Scope of indicator is all consolidated entities except for Interparking, Anima and Touring
(****) Scope for the indicators under "Employee engagement" is consolidated entities and the following JV's: Turkey, Vietnam and the Philippines.

5.8.2 Our products

Number of customers incl. non-consolidated entities (in mio)	2023	2022
Belgium	2.95	2.94
Europe	15.13	14.27
Asia	28.44	29.42
Total	**46.52**	**46.63**

Presence		
Number of countries with direct or indirect presence	13	14

Products that stimulate the transition to a more sustainable world - % of gross written premiums			
Total		28%	21%
Of which	Life	34%	22%
	Non-Life	22%	19%

Customer satisfaction		
% of entities with NPS benchmarking versus competitors (group)	76%	65%
% of consolidated entities with a top quartile cNPS	25%	25%

5.8.3 Our investments

Responsible investments (in EUR mio)	2023	2022
Total assets under management	87,476	84,641
- of which Life, Non-Life & Own funds	69,023	68,846
- of which unit-linked	18,453	15,795
Internally managed assets - Percentage new investments subject to ESG analysis	100%	Above 99%
Externally managed assets - Percentage of externally managed assets that are managed by PRI signatory	97%	98%
Percentage of new investments in coal (*), tobacco (*), arms (*), unconventional oil & gas (*), gambling (*)	0%	0%
Sustainable investments (**)	13,239	10,269
Exposure to sustainble investments including sovereign bonds (**)	19%	14%
Environment (***)	6,801	3,848
- Renewable energy (including solar panels, winds farms)	883	868
- Green mobility (including train, metro, tramways, etc)	587	334
- Green buildings	1,046	935
- Green bonds	2,408	1,049
- Other green investments	1,877	662
Social and sustainable	6,438	6,421
- Social housing	2,836	2,780
- Other social and sustainable investments (including education, rest homes, hospitals, fiber-optic infrastructure)	3,602	3,641

(*) taken into account revenue thresholds
(**) excluding the assets of the Unit-Linked business; sustainable investments as defined in Impact24, double counting has been avoided
(***) In case of an investment ticking multiple categories, the investment is included in the first description in order to avoid double counting

Sustainable solutions (pension, long term saving and investment insurance products)	14,858	12,625
% versus total solutions	21%	21%
- Products with external sustainable certification (including Towards Sustainability label)	11,458	9,331
- Products without external sustainable certification (including ESG thematic funds)	3,400	3,293

5.8.4 Our planet

5.8.4.1 Carbon footprint of own operations

Carbon footprint in tCO_2e		2023(*)		2022	
Scope		Net total (tCO_2e)	Relative share	Net total (tCO_2e)	Relative share
Scope 1	Direct energy – gas & heavy fuels	1,595	5%	1,891	9%
	Refrigerants	636	2%	330	2%
	Owned vehicles	8,998	31%	8,089	37%
	Total scope 1	**11,229**	**38%**	**10,309**	**48%**
Scope 2	Electricity – net(**)	1,448	5%	760	4%
	Total scope 2	**1,448**	**5%**	**760**	**4%**
Scope 3	Home – work commuting	9,224	31%	5,941	27%
	Business travel	5,637	19%	1,497	7%
	Purchased goods and services				
	Paper	289	1%	245	1%
	IT	1,473	5%	2,711	12%
	Waste	231	1%	229	1%
	Total scope 3	**17,301**	**57%**	**10,624**	**48%**
TOTAL tonnes CO_2e gross		**29,531**		**21,694**	
Carbon offsetting (***)		29,531		21,694	
TOTAL tonnes CO_2e net		**0**		**0**	
Tonnes CO_2e per FTE		2.8		2.4	

(*) 2023 is the first year AFLIC CO2e is measured
(**) including district heating
(***) based on signing of offsetting agreements

Electricity in detail (tCO_2e)	2023	2022
Electricity - gross	4,251	4,605
CO_2e avoided by green electricity	2,803	3,845
Electricity - net	1,448	760

5.8.4.2 Investments – carbon intensity

Scope 1 and 2 (tCO2e/mln USD)	2023	2021 (base year)
Ageas equity and corporate bonds portfolio (listed companies, excl. unit-linked)	97.80	149.10

5.8.4.3 Investments – coal divestment

	2023	2022
Divestment of coal related investments by 2030	Target on track	Target on track
New investments in coal, unconventional oil & gas	0%	0%

5.8.4.4 Real estate activities – energy and water consumption

Reduction in owned office buildings since 2016 (83% (2023) and 94% (2022) of portfolio measured)	2023	2022
CO_2e	41,9%	31.9%
Gaz	27,5%	14.4%
Electricity	28.7%	29.9%

5.8.5 Safe, secure and compliant insurance

Code of conduct	2023	2022
% of staff subject to a Code of Conduct, or Integrity Policy, or any Formal statement of ethical principles imposed by the undertaking	100%	100%

Participation rates to training sessions and questionnaires	2023	2022
Inception meetings*	100%	100%
Awareness initiative	96%	87%
Yearly Compliance questionnaire (control on personal transactions, gifts and hospitalities, conflict of interest (external functions))**	99%	100%
Yearly Legal questionnaire (memberships to professional and trade associations)***	79%	82%

** scope 2022: Ageas Corporate Center*
*** scope: Ageas Corporate Center and Regional Office Asia*
**** scope: Ageas Corporate Center*

Whistleblowing and breaches	2023	2022
Number of whistleblowing cases, all relating to code of conduct actual breaches	1	4
Internal fraud – number of suspected cases	84	37
Number of effective cases of internal fraud	9	11

Lobbying - memberships (in EUR mio)	2023	2022
Lobbying activities	1.7	2.2
Political funding	0.0	-
Memberships	3.9	3.0

Income tax by segment (in EUR mio)	2023	2022
Ageas SA/NV	11	21
Belgium	184	147
Europe	54	37
Asia	2	0
Total corporate income tax charge	**251**	**205**

Philanthropy - Community investment (in EUR mio)	2023	2022
Cash donations	4.9	4.7

Investor Loyalty	2023	2022
% of outstanding shares represented by top 100 investors	54%	52%
Of which owned for at least 10 years	54%	46%
% of shares owned for min 10 years	33%	30%

6

Corporate Governance Statement

6.1 Board of Directors

The Board of Directors operates within the framework defined by Belgian legislation, National Bank of Belgium (NBB) requirements, the Belgian Corporate Governance Code, normal governance practice in Belgium and the Articles of Association. The roles and responsibilities of the Board of Directors and its composition, structure and organisation are described in detail in the Ageas Corporate Governance Charter which is available on the Ageas website.

6.1.1 Composition

On 31 December 2023, the Board of Directors was composed of thirteen members, namely: Bart De Smet (Chairman), Jane Murphy (Vice-Chair), Richard Jackson, Lucrezia Reichlin, Yvonne Lang Ketterer, Katleen Vandeweyer, Sonali Chandmal, Jean-Michel Chatagny, Carolin Gabor, Alicia Garcia Herrero, Hans De Cuyper (CEO), Wim Guilliams (CFO) and Emmanuel Van Grimbergen (CRO).

Alicia Garcia Herrero and Wim Guilliams were appointed as new members of the Board of Directors at the general shareholders' meeting of 17 May 2023 and the mandate of Emmanuel Van Grimbergen was renewed.

The mandates of Christophe Boizard, Filip Coremans and Guy de Selliers de Moranville came to an end on 17 May 2023 and were not renewed. Antonio Cano ended his mandate as a member of the Board of Directors at the same date.

Both Filip Coremans and Antonio Cano remain members of the Executive Committee, respectively as MD Asia and MD Europe.

With these changes the number of executive members in the Board reduced and as a consequence, the balance independent / non-independent board members improved. Out of the thirteen Board members, ten members are non-executive directors, of which nine independent and three of them are executive directors (CEO, CRO and CFO). Seven out of the thirteen directors are female.

It should be noted that in line with the regulatory requirements, the Chief Executive Officer (CEO) and the Chief Risk Officer (CRO) must be directors, being recommended that the Chief Financial Officer (CFO) is also a director. This ensures that a connection is kept between the Board, in his supervisory role, and the Executive Committee (for more details about the Executive Committee composition please refer to 6.2).

6.1.2 Meetings

The Board of Directors met seventeen times in 2023, including one meeting without the presence of the Executive members (except for the CEO who attended part of the meeting) in order to discuss their appraisal. Attendance details can be found in section 6.5 Board of Directors.

In 2023, the Board dealt with, among others, the following matters:

- The ongoing development of each of the Ageas businesses;
- The preparation of the General Meetings of Shareholders;
- The consolidated semi-annual and annual financial statements; in this respect, it is to be noted that as from year 2023, the company no longer published quarterly audited statements;
- The 2022 Annual Report and mandatory reporting to the NBB (including the RSR, SFCR, SOGA, and ORSA reports, quarterly Key and Emerging Risk reporting), and updates on and approval of policies within the Enterprise Risk Management Policy Framework;
- Press releases;
- The budget over the cycle 2024-2027;
- Dividend, capital and solvency matters of the company;
- The succession planning of the Board of Directors and of the Executive Management;
- The performance of the Executive Committee and Management Committee;
- The restructuring of the Executive Management (for details in this respect, please refer to 6.2.2);
- The Remuneration Policy;
- The assessment of the independent control functions;
- Various merger and acquisition files;
- Reinsurance specific matters: governance, financials, risk appetite, capital allocation, business plan;
- Sustainability matters, including the double materiality assessment, the evolution of the regulatory landscape (with specific attention for the CSRD and related ESRSs, ISSB….) and the integration of sustainability in the strategy.

The members of the Executive committeee reported on the progress of the results and the general performance of the different businesses at the Board Meetings.

At the meeting that was held without the presence of the Executive members, the following matters were discussed and decided on:
- The individual targets (quantitative and qualitative) 2023 for the members of the Management and Executive Committee;
- The targets for the business KPIs 2023;
- The assessment of the results on the individual objectives and the business KPIs 2022;
- The individual Short-term incentive (STI) and Long-term incentive (LTI) of the members of the Management and Executive Committee based on the above assessment.

6.1.3 Advisory Board Committees
The terms of reference, the role and responsibilities of each Advisory Board Committee are described in the Ageas Corporate Governance Charter which is available on the Ageas website.

Attendance details of the Board Committees can be found in section 6.5, Attendance at Board and Committee meetings.

6.1.4 Nomination and Corporate Governance Committee
On 31 December 2023, the Nomination and Corporate Governance Committee was composed of the following members: Bart De Smet (Chairman), Jane Murphy, Richard Jackson and Yvonne Lang Ketterer. The mandate of Guy de Selliers de Moranville ended on 17 May 2023.

The CEO attended the meetings, except during discussions relating to his own situation.

In 2023, the Nomination and Corporate Governance Committee met on five occasions. The following matters were dealt with:
- The succession planning of the non-executive board members;
- The search and review of new board candidates in view of the general meeting 2024;
- The nomination of the Vice-Chair, in succession of Mr. Guy de Selliers de Moranville;
- The review of the composition of the Board Committees;
- The succession planning of the Executive Management;
- The agenda of the 2023 Ordinary and Extraordinary Shareholders' Meetings;
- The Reinsurance Governance Charter;
- The Competence matrix of the Board;
- The restructuring of the Executive Management (for details in this respect, please refer to 6.2.2);
- The Assessment of the Board.

The Chairman reported on these topics to the Board of Directors after each meeting and submitted the Committee's recommendations to the Board for final decision-making.

6.1.5 The Audit Committee
The composition of the Audit Committee did not change in the course of 2023. On 31 December 2023, the Audit Committee was composed of three independent directors: Richard Jackson (Chair), Lucrezia Reichlin and Katleen Vandeweyer.

The Executive Committee members, the internal auditor and the external auditors attended the meetings.

The Audit Committee met on seven occasions in 2023, including one joint meeting with the Risk and Capital Committee. The following matters were considered:
- Monitoring the integrity of the half-yearly and annual consolidated financial statements, including disclosures, consistent application of or changes to the valuation and accounting principles, consolidation scope, quality of the closing process and significant issues raised by the CFO or the external auditors;
- Monitoring of the IFRS17 implementation and accounting choices;
- Monitoring the findings and the recommendations of the internal and external auditors on the quality of internal control and accounting processes;
- Reviewing the internal and external audit plans and reporting;
- Reviewing the design and operating effectiveness of the internal control system in general and of the risk management system in particular;
- The assessment of the Internal Audit function.

During the joint meeting with the Risk and Capital Committee, the members discussed :
- The renewal of the mandate of the external auditors;
- The 2023 Emerging Trends Report;
- The Internal Audit Charter;
- The Double Materiality Assessment in the context of the implementation of the Corporate Sustainability Reporting Directive.

The Chair of the Audit Committee had regular one-on-one meetings with the internal and external auditors. He reported on the outcome of the committee's deliberations to the Board of Directors after each meeting and presented the recommendations of the Audit Committee to the Board for decision-making.

6.1.6 The Remuneration Committee
On 31 December 2023, the Remuneration Committee was composed of the following members: Jane Murphy (Chair), Sonali Chandmal, Katleen Vandeweyer and Jean-Michel Chatagny who replaced Guy de Selliers de Moranville.

The Remuneration Committee is assisted by Willis Towers Watson, an external professional services company that provides market information and advice on commonly applied reward elements, best practices and expected developments. Willis Towers Watson does not provide material compensation nor benefits-related services to the Executive Committee of Ageas, or to any other part of the Ageas organisation.

The CEO and the Group Human Resources Director attended the meetings, apart from discussions relating to themselves.

The Remuneration Committee met on three occasions in 2023. The following matters were discussed:

- The benchmarking and review of the remuneration of the members of the Management Committee, the Executive Committee and the Board of Directors against current market practices;
- The disclosure of the remuneration of Board and Executive Committee Members in the notes to the Annual Consolidated Financial Statements;
- The report of the Remuneration Committee as included in the Corporate Governance Statement;
- The feedback on the shareholder's vote on the Remuneration Report;
- The share-linked incentive plan in favour of senior management;
- The remuneration framework for Ageas Re, including the remuneration of the Group Director Reinsurance;
- The remuneration of the independent control functions;
- The review of the long term incentive plans for the Executive and senior management;
- The individual targets (quantitative and qualitative) for the members of the Management and Executive Committee for 2023;
- The targets for the business KPIs for 2023;
- The specific KPIs for the Chief Risk Officer; (see 6.7.2 for more details on the specific KPIs) for 2023;
- The assessment of the results on the individual objectives and the business KPIs for 2022;
- The individual Short-term incentive (STI) and Long-term incentive (LTI) of the members of the Management and Executive Committee based on the above assessments.

The Chair of the Remuneration Committee reported on the aforementioned matters to the Board of Directors after each meeting and advised the Board on decision-making when required. Further information on the Remuneration Committee can be found in the Report of the Remuneration Committee (see section 6.7 of this chapter).

6.1.7 The Risk and Capital Committee

On 31 December 2023, the Risk & Capital Committee comprised the following members: Yvonne Lang Ketterer (Chair), Jean-Michel Chatagny and Alicia Garcia Herrero. The mandate of Guy de Selliers de Moranville ended on 17 May 2023.

The Risk & Capital Committee met on six occasions including one joint meeting with the Audit Committee. The meetings were attended by the members of the Executive Committee.

The matters discussed in the Risk & Capital Committee in 2023 included:

- Monitoring of the group risk management, based on reports by management and the reinsurance risk management;
- Monitoring of the performance of the asset management by segment and by asset class, including for the reinsurance activities;
- Monitoring of the capital allocation and the solvency of the Ageas Group and the reinsurance activities;
- Monitoring of the group and reinsurance key risks and emerging risks;
- Reviewing the risk policies prepared by management;
- The business risks, with dedicated sessions per segment and to the reinsurance business;
- The Information Security report;
- The Actuarial Functions reports;
- Solvency II model changes and;
- The assessments of the Compliance function, the Actuarial function and the Risk function.

Next to the Executive Committee members, the Head of the Actuarial function, the Director of Compliance and the Head Finance joined all or part of the meetings.

The Chair of the Risk & Capital Committee reported on the aforementioned matters to the Board of Directors after each meeting and advised the Board on decision-making when required.

During the joint meeting with the Audit Committee, the members discussed:

- The renewal of the mandate of the external auditors;
- The 2023 Emerging Trends Report;
- The Internal Audit Charter;
- The Double Materiality Assessment in the context of the implementation of the Corporate Sustainability Reporting Directive.

6.2
Executive Management

6.2.1 As per 31 December 2023 (see section 6.2.2 for upcoming changes as per 1 March 2024)

Ageas's Executive Management is composed of the members of the Executive Committee and the members of the Management Committee. The role of the Executive Management is to manage Ageas in line with the values, strategies, policies, plans and budgets endorsed by the Board.

Three of the members of the Executive Committee are members of the Board of Directors as foreseen by Belgian regulation, namely the CEO, the CFO and the CRO. Are also part of the Executive Committee the Managing Director of Asia and the Managing Director of Europe. The CEO chairs the Executive Committee, which meets once a week according to a predetermined timetable. Further meetings are held whenever necessary.

At the end of 2023, the Executive Committee of Ageas was composed of:
- Hans De Cuyper, CEO, responsible for the Strategy, M&A, Audit, Human Resources, Communications and Company Secretary;
- Wim Guilliams, CFO, responsible for Finance, Investments, Investor Relations, Business Performance Management and Legal & Tax;
- Emmanuel Van Grimbergen, CRO, responsible for Risk, Compliance, Actuarial function and Validation;
- Antonio Cano, MD Europe, responsible for monitoring of the performance of the business in Europe, for the reinsurance activities and for real estate within the Group;
- Filip Coremans, MD Asia, responsible for the monitoring of the performance of the business in Asia and for the activities under the CDSO office, including Business & Technology Development and ESG matters within the Group.

At the end of 2023, the Management Committee was composed of:
- The five members of the Executive Committee;
- The Chief Development and Sustainability Officer, Gilke Eeckhoudt;
- The heads of the four business segments: Heidi Delobelle, CEO Belgium, Steven Braekeveldt, CEO Portugal, Ant Middle, CEO United Kingdom, and Gary Crist, CEO Asia.

6.2.2 New composition of the Executive Committee for 2024

Ageas is reinforcing the Group's current Executive Committee by including all its 4 business segments (Europe, Asia, Belgium, and Reinsurance), complemented by a newly created function of Managing Director Business Development. The latter function will be responsible for the development and implementation of the Group's strategy, and for the further evolution of its footprint through organic and inorganic growth opportunities.

The changes are being implemented to:
- better reflect the current business profile taking into account the evolving importance and size of the Group's different activities.
- simplify and improve the integration of corporate and business decision making, maximising group synergies.
- have a dedicated focus on strategy, combined with business development opportunities.

The Ageas Executive Committee, entrusted with the daily management of the Group, will be enlarged to eight members. Antonio Cano who has decided to pursue new opportunities will end his mandate at Ageas as of 1 June 2024.

The Ageas Executive Committee will comprise the following functions:
- CEO and CFO: Hans De Cuyper and Wim Guilliams will remain Chief Executive Officer and Chief Financial Officer, respectively.
- CRO: Christophe Vandeweghe, currently CFO of Ageas Portugal, will succeed Emmanuel Van Grimbergen as Chief Risk Officer as of 1 June 2024. With a career starting at ING and Deloitte, Christophe joined Ageas in 2014 as Head of Risk for Continental Europe. Since that time, he has taken up various roles at Group level. In 2018 he transferred to Portugal to become CRO for Grupo Ageas Portugal and later CFO. Since April 2023 he has also assumed the role of Chief Business Development Officer for the Portuguese activities.
- MD Belgium: Considering the importance of Belgium within the Group, AG's CEO Heidi Delobelle will join the Ageas Executive Committee as Managing Director Belgium.
- MD Europe: Ben Coumans, currently Group Director Strategy and M&A, will replace Antonio Cano as Managing Director Europe, covering Ageas Portugal, Ageas UK and the Turkish joint ventures.
- MD Asia: Filip Coremans will continue his function as Managing Director Asia.
- MD Reinsurance & Investments: Given the growth and ambitions of the reinsurance activities within the Group, the role of Managing Director Reinsurance & Investments will be created. Next to reinsurance, the scope includes Real Estate, ALM and Investments. Emmanuel Van Grimbergen, currently CRO and with extensive experience in capital optimisation for the Group, will take up this new function as of 1 June 2024. Until then, Antonio Cano will further fulfil this position. Within this new organisation Joachim Racz will as CEO of Ageas Re report directly to the MD Reinsurance & Investments.
- MD Business Development: Karolien Gielen will take up the position of Managing Director Business Development. This role encompasses Strategy, M&A, Communication and the Chief Development and Sustainability Office that includes Business Development, Technology Development and Sustainability. Karolien Gielen is currently Partner and Managing Director at the Boston Consulting Group and Practice Area Lead Insurance for the London-Amsterdam-Brussels system.

The succession for the new CRO and MD Reinsurance & Investments roles is scheduled as of 1 June 2024, subject to the approval of the CRO-appointment at the General Shareholders Meeting of 15 May 2024. The mandate of the MD Business Development takes effect on 8 April 2024. The other nominations are operational as of 1 March 2024. The Management Committee ceases to exist as from that date.

6.3
Internal Risk Management

Being a holding company within the insurance business and being also a reinsurance company, Ageas is subject to specific legal regulation related with risk management system. In that note, the Chief Risk Officer (CRO) shall be part of the Board of Directors, the body that has the final responsibility for the effectiveness of the risk management system.

To this end, the Board approves appropriate frameworks for risk management and control, having Ageas put in place a Group-wide key risk reporting process to identify key (existing and emerging) risks that could impact the realisation of its objectives. It also assesses the control framework in place to ensure that these risks are managed on an ongoing basis. These risk and control activities are continuously exercised by the Board of Directors, Management, the four mandatory control functions (Audit, Compliance, Risk and Actuarial) and all employees in order to provide reasonable assurance of:

- The effectiveness and efficiency of operations;
- Qualitative information;
- Compliance with laws and regulations, and with internal policies and procedures with respect to the conduct of business;
- Safeguarding of assets and identification and management of liabilities;
- Achievement of company's objectives while implementing the company's strategy.

In order to reinforce the effectiveness of the supervision and control by the Board of Directors on the company's activity, operation and risk profile, the Risk and Capital Committee specialized in risk matters within the Board has been set up. In that sense, the Risk and Capital Committee shall provide advice to the Board of Directors on all aspects connected to the current and future risk strategy and risk tolerance, support it on his duty to supervise the risk strategy approved and enable the Board to form opinions and take the necessary decisions and actions related with risk topics. With these goals in mind, the Risk and Capital Committee agendas during the year usually cover topics such as monitoring of risk management, based on reports by management, monitoring of the key risks and emerging risks and business risks, with dedicated sessions per segment and to the reinsurance business. For more detailed information on the Risk and Capital Committee please refer to note 6.1.7. above. For detailed information on the internal control framework, please refer to Chapter C Risk Management in the Ageas General Notes.

6.4
Corporate Governance references and Diversity

6.4.1 Corporate Governance references

The Belgian Corporate Governance Code is based on the 'comply or explain' concept, which means that if a company chooses to deviate from any of the Code's principles, it must explain its reasons for doing so in the Corporate Governance Statement.

6.4.2 Diversity

The Diversity Policy applies to all senior managers and members of the Board of Directors across the group:

- Ageas is committed to attracting and retaining a Board of Directors whose composition reflects a diversity of backgrounds, knowledge, experience and abilities;
- Appointments to the Board will be based on merit, however it will also consider issues of diversity and the mix of skills required to best achieve Ageas's strategy;
- Apply the legally required minimum of 33% of the opposite gender in the Ageas Board.

As per 31 December 2023, the Ageas Board was composed of three male Non–Executive directors and seven female Non–Executive directors next to three male Executive directors. In terms of nationality, the Board is composed of five directors of Belgian nationality, one director of Italian nationality, two directors of Swiss nationality, one director of Belgian-Canadian nationality, one director of British nationality, one director of Belgian-Indian nationality, one director of German nationality and one director of Spanish nationality. In the composition of the Board, Ageas ensures the diversity in terms of competences and expertise in order to obtain a well-balanced and a well-founded decision process.

The Ageas Executive Committee was composed of five male members of which four of Belgian nationality and one of Dutch nationality. Specific attention is given to diversity in terms of succession planning during the yearly update to the Board of Directors. Overall the senior management population at Ageas Group level consists of 67% male senior managers and 33% female senior managers.

6.4.3. Board Assessment

During 2023 the Board of Directors and its Committees were submitted to an external assessment performed by Deloitte. This analysis was mainly conducted using a research methodology based on a written questionnaire and complementary interviews with all Board members. For the analysis on the Governance environment within Ageas, the main relevant internal policies were used as reference, such as, for example, Conflict of Interests, Diversity and Inclusion, Suitability, Corporate Governance Charter, Regular Regulatory Report and Competence Matrix Memo.

The current functioning of Board and Committees was reviewed against the relevant principles of applicable regulations and governance guidelines, considering seven main subjects: Board's structure, composition, role and functioning, selection and evaluation of Directors, culture, Group Governance and functioning of the Board's Committees.

Aside from a few consideration points brought to further optimize the sound governance, the overall outcome was positive in all the subjects assessed, whether in terms of Board's functioning, roles and tasks, in particular the time dedicated to strategy and control matters and the compliance with regulatory group governance requirements within governance system, risk management system and operating entities. Also positive was the selection process of Board members and the frequent training opportunities provided as well as the specific expertise gained by being a member of other companies within Ageas Group. A positive note was shared also on the functioning of Committees, which has met the expectations.

6.5
Board of Directors

Bart De Smet
Chair I Chair CGC

Hans De Cuyper
CEO

Jane Murphy
Vice Chair and Chair of the RemCo

Richerd Jackson
Chair AC

Yvonne Lang Ketterer
Chair RCC

Lucrezia Reichlin
Member

Alicia Garcia Herrero
Member

Katleen Vandeweyer
Member

Jean-Michel Chatagny
Member

Sonali Chandmal
Member

Carolin Gabor
Member

Emmanuel Van Grimbergen
CRO

Wim Guilliams
CFO

6.5 Board of Directors

Chairman

Bart De Smet

- 1957 – Belgian – Male
- On 31 December 2023: Chairman of the Board of Directors and Chairman of the Nomination and Corporate Governance Committee
- First appointed in 2009. Term runs until Annual General Meeting of Shareholders in 2025.

Non-Executive Board Members

Jane Murphy

- 1967 – Belgian / Canadian – Independent – Female
- On 31 December 2023, Vice-Chair of the Board of Directors, Chairwoman of the Remuneration Committee and Member of the Nomination and Corporate Governance Committee.
- First appointed in 2013. Term runs until Annual General Meeting of Shareholders in 2024.

Richard Jackson

- 1956 – British – Independent – Male
- On 31 December 2023, Member of the Board of Directors and Chairman of the Audit Committee and Member of the Nomination and Corporate Governance Committee.
- First appointed in 2013. Term runs until Annual General Meeting of Shareholders in 2024

Yvonne Lang Ketterer

- 1965 – Swiss – Independent – Female
- On 31 December 2023, Member of the Board of Directors, Chairwoman of the Risk and Capital Committee and Member of the Nomination and Corporate Governance Committee.
- First appointed in 2016. Term runs until Annual General Meeting of Shareholders in 2024.

Lucrezia Reichlin

- 1954 – Italian – Independent – Female
- On 31 December 2023, Member of the Board of Directors and Member of the Audit Committee.
- First appointed in 2013. Term runs until Annual General Meeting of Shareholders in 2024.

Katleen Vandeweyer

- 1969 – Belgian – Independent – Female
- On 31 December 2023, Member of the Board of Directors, Member of the Remuneration Committee and Member of the Audit Committee.
- First appointed in 2017. Term runs until Annual General Meeting of Shareholders in 2025.

Jean-Michel Chatagny

- 1959 – Swiss – Independent – Male
- On 31 December 2023, Member of the Board of Directors and Member of the Risk and Capital Committee and Remuneration Committee.
- First appointed in 2021. Term runs until Annual General Meeting of Shareholders in 2025.

Sonali Chandmal

- 1968 – Belgian / Indian – Independent – Female
- On 31 December 2023, Member of the Board of Directors and Member of the Remuneration Committee.
- First appointed in 2018. Term runs until Annual General Meeting of Shareholders in 2026.

Carolin Gabor

- 1977 – German – Independent – Female
- On 31 December 2023, Member of the Board of Directors.
- First appointed in 2022. Term runs until Annual General Meeting of Shareholders in 2026.

Alicia Garcia Herrero

- 1968 – Spanish – Independent – Female
- On 31 December 2023, Member of the Board of Directors and Member of the Risk and Capital Committee.
- First appointed in 2023. Term runs until Annual General Meeting of Shareholders in 2027.

A full overview of our Board, Management and Executive Committee members' profiles (including other positions held) can be found on the Management-section of Ageas's corporate website.

Executive Board Members

Hans De Cuyper
CEO

- 1969 – Belgian – Executive – Male
- Chief Executive Officer
- First appointed in 2020. Term as Board member runs until Annual General Meeting of Shareholders in 2024.

Wim Guilliams
CFO

- 1973 – Belgian – Executive – Male
- Chief Financial Officer
- First appointed as Board member in 2023. Current term as Board member runs until Annual General Meeting of Shareholders in 2027.

Emmanuel Van Grimbergen
CRO

- 1968 – Belgian – Executive – Male
- Chief Risk Officer
- First appointed as Board member in 2019. Term as Board member runs until Annual General Meeting of Shareholders in 2027.

Other Members of the Executive Committee

Filip Coremans
MD Asia

- 1964 – Belgian – Executive – Male
- Managing Director Asia

Antonio Cano
MD Europe

- 1963 – Dutch – Executive – Male
- Managing Director Europe

Company Secretary
- Valérie Van Zeveren

Attendance at Board and Committee meetings

Attendance at the meetings of the Board, Audit Committee, Risk & Capital Committee, Remuneration Committee and Nomination and Corporate Governance Committee was as follows:

	Board meetings*			Audit Committee meetings**		Corporate Governance Committee meetings		Remuneration Committee meetings		Risk & Capital Committee meetings**	
Name	Held***	Attended		Held**	Attended	Held	Attended	Held	Attended	Held**	Attended
Bart De Smet (Chairman)	17	17	(100%)			5	5				
Jane Murphy (Vice-Chair)	17	16	(94%)			5	5	3	3		
Katleen Vandeweyer	17	17	(100%)	6	6			3	3		
Lucrezia Reichlin	17	16	(94%)	6	6						
Richard Jackson	17	17	(100%)	6	6	5	5				
Sonali Chandmal	17	16	(94%)					3	3		
Yvonne Lang Ketterer	17	15	(88%)			5	5			5	5
Jean-Michel Chatagny	17	16	(94%)					2	2	5	5
Carolin Gabor	17	16	(94%)								
Hans De Cuyper (CEO)	17	17	(100%)								
Emmanuel Van Grimbergen (CRO)	16	16	(100%)								
New Board members as per 17 May 2023 (held meetings are since the General Meeting)											
Alicia Garcia Herrero	9	9	(100%)							3	3
Wim Guilliams (CFO)	9	9	(100%)								
Board members whose mandates came to an end as per 17 May 2023 (held meetings are until the General Meeting)											
Guy de Selliers de Moranville	8	8	(100%)			1	1	1	1	3	3
Christophe Boizard	7	7	(100%)								
Filip Coremans	7	7	(100%)								
Antonio Cano	7	7	(100%)								

** Including one Board meeting with the non-executive members only (and Mr. De Cuyper, partially)-*

*** In addition, there was one the joint meeting RCC / AC.*

**** Board members are expected to attend at least 80% of the meetings on a yearly basis.*

Note that the members of the Executive Committee attended the committee meetings as invitees and not as members. Hence their attendance is not indicated in the table.

full overview of our Board, Management and Executive Committee members' profiles

6.6
Consolidated information related to the implementation of the EU Takeover Directive and the Ageas Annual Report

For legal purposes, the Board of Directors hereby declares that the Ageas Annual Report 2023 has been prepared in accordance with the statutory rules implementing the EU Takeover Directive that came into force in Belgium on 1 January 2008. The Board hereby gives the following explanations concerning the respective elements to be addressed under these rules:

- Comprehensive information on the prevailing capital structure can be found in note 16 Shareholders' equity and note 12 Subordinated liabilities in the Ageas Consolidated Financial Statements 2023;
- Restrictions on the transfer of shares extend only to preference shares (if issued) and the securities described in note 12 Subordinated liabilities in the Ageas Consolidated Financial Statements 2023;
- Ageas lists in note 29 Legal structure of the Consolidated Financial Statements as well as under the heading 'Specifications of equity – Shareholder structure of the company at the balance sheet date' in the Ageas SA/NV Company Financial Statements any major shareholdings of (third) parties that exceed the threshold laid down by law in Belgium and by the Articles of Association of Ageas SA/NV
- No special rights are attached to issued shares other than those mentioned in note 16 Shareholders' equity and note 12 Subordinated liabilities in the Ageas Consolidated Financial Statements 2023;
- Share option and share purchase plans, if any, are outlined in note 26 section 6.2 Employee share and share-linked incentive plans in the Ageas Consolidated Financial Statements 2023. The Board of Directors decides on the issuance of share plans and options, as applicable, subject to local legal constraints;
- Except for the information provided in note 16 Shareholders' equity, note 32 Related parties and note 12 Subordinated liabilities in the Ageas Consolidated Financial Statements 2023, Ageas is unaware of any agreement between shareholders that may restrict either the transfer of shares or the exercise of voting rights;
- Board Members are elected or removed by a majority of votes cast at the General Meeting of Shareholders of Ageas SA/NV. Any amendment to the Articles of Association requires the General Meeting of Shareholders to pass a resolution to that effect. If fewer than 50% of the shareholders are represented, a second meeting must be convened, which will be able to adopt the resolution with 75% of the votes without any need for attendance quorum;
- The Ageas Board is entitled both to issue and to buy back shares, in accordance with authorisations granted by the General Meeting of Shareholders of Ageas SA/NV. The current authorisation with regard to the shares of Ageas SA/NV will expire on 30 May 2025;
- Ageas SA/NV is not a direct party to any major agreement that would either become effective, be amended and/or be terminated due to any change of control over the company as a result of a public takeover bid. However, certain of its subsidiaries are subject to such clauses in case of a direct and/or indirect change of control;
- Ageas SA/NV has not entered into any agreement with its Board Members or employees, which would allow the disbursement of special severance pay in the case of termination of employment as a result of a public takeover bid;
- Neither different share classes nor any preferential shares have been issued. Additional information on Ageas shares is set out in note 16 Shareholders' equity of the Consolidated Financial Statements.
- Ageas shareholders are under an obligation to meet certain notification requirements when their shareholding exceeds or drops below certain thresholds, as prescribed by Belgian legislation and by the Articles of Association of Ageas SA/NV. Shareholders must notify the Company as well as the FSMA when their shareholding exceeds or drops below 3% or 5% of the voting rights or any multiple of 5%. Ageas publishes such information on its website.

Related Party Transactions

With the implementation of the second Shareholders Directive (SRD II) within Belgian legal regime, the regime applicable to the Related Party Transactions (RPT Regime) was reinforced, aiming mainly to protect the listed entities and their shareholders against undue influence and to avoid the direct or indirect extraction of value from listed entities by parties related to them, with detriment of their shareholders.

The RPT Regime covers transactions between Ageas SA/NV or any one of its subsidiaries and a related party of Ageas SA/NV.
Shall be noted that there are exemptions to the RPT, being out of scope, for example, Intragroup transactions. The transactions that fall within the RPT Regime shall comply with strict transparency obligations require the prior approval of the Board of Directors and a record of them shall be kept updated.

The necessary measures have been implemented to assess, in a regular basis, the existence and related information on these types of transactions, including an annual assessment promoted to the members of the Board of Directors that allow the identification of potential RPT.

For detailed information on the Related Party Transactions please refer to note 32 Related Parties.

6.7
Report of the Remuneration Committee

On behalf of the Remuneration Committee, I am pleased to present our Remuneration Report for 2023.

At Ageas, we are committed to providing customers with peace of mind. As an insurer and "supporter of your life", our role is to help customers at every stage of their life to mitigate risks related to property, casualty, life and pensions.

Our reward offering is designed to attract, develop and retain talented people who can support us in navigating in an increasingly complex, dynamic and global environment. Our priority is to reflect in our rewards, the strong cultural foundation shared by all our colleagues, to help drive the value that we aim to create for all our stakeholders, while fostering a work environment where our people can thrive.

This report details how our 2023 performance, amongst others in terms of sustainability and social responsibility, is reflected in our executive remuneration.

The report is divided in three parts:
- The application of our Remuneration Policy in 2023.
- The Remuneration and performance outcomes for 2023.
- A summary of the main elements of our Remuneration policy for Executive Management and Non-Executive directors.

2023 Company performance and evolution
Our results over 2023 show delivery of solid financial performance and ability to deliver on our commitments for our stakeholders.
- Ageas delivered a strong commercial performance which was mainly driven by a remarkable growth in Non-Life across the Group and by the strong Life activities in China while our Reinsurance activities successfully concluded its 1 January 2024 renewal campaign. We observe solid margins in Life, a strong combined ratio in Non-Life and a Net Operating result up to our commitments.
- Ageas launched numerous initiatives aimed at reinforcing its core business, enhancing the distribution channels and elevating the customer experience. Ageas has been integrating new technologies including AI into its operations, generating business and customer benefits across the entire value chain. In this regard can be mentioned the launch of 'Symptom checker', an AI solution to triage incoming calls from customers, to assess symptoms online and provide personalised health recommendations, and the development of a Generative Artificial Intelligence (Gen AI) application, named "Digital Coach", a ground-breaking digital training application.
- In the second year of Impact24, Ageas continued to make significant steps toward its non-financial and sustainability objectives. These efforts resulted in improved ratings from five out of the six ESG rating agencies that assess the Group's performance.
- The customer Net Promotor score (cNPS) for the European consolidated entities remained constant, with all scores at or above the median level, and Ageas UK once again achieving the top quartile target.
- With a score of 67.4, the Employee NPS (eNPS) for our consolidated entities positions in the top quartile of the benchmark (provided by Peakon). Including our joint ventures in Vietnam, Türkiye and the Philippines the employee NPS positions at 62.9 just below the top quartile of the benchmark.
- For the third consecutive year, Ageas Corporate Centre, AG and AG Real Estate in Belgium and Ageas UK have all been certified "Top Employer", while Ageas Asia has been awarded "Best Companies to work for in Asia 2024" and many other Group entities have received similar recognition in their respective markets.
- The continued efforts on Diversity and Inclusion resulted in an improvement of our Gender Diver Index (GDI as measured by Women on Boards) from 0.75 to 0.87. Also the Glass Ceiling index which measures the percentage of women in senior management versus the total percentage of women in the company showed a considerable improvement to 65 %, close to our Impact24 – target of 70%.
- In December 2022 Ageas joined as first Belgian based asset owner the UN-convened Net Zero Asset Owner Alliance (NZAOA), a member-led initiative of insurers, pension funds and foundations, committed to transitioning their investment portfolios to net-zero greenhouse gas (GHG) emissions by 2050. Compared to end 2022, the Greenhouse Gas emissions (GHG) increased scope- on-scope by 17%, mainly due to an imposed update in the emission factors by the International Energy Agency and increased business travel.

At the end of September 2023, Ageas completed the sale of its French Life Insurance activities.

2023 remuneration outcomes
- In 2023, the total remuneration including pension contributions and fringe benefits of the Executive Committee amounted to EUR 6,325,510 compared to EUR 6,695,953 in 2022.
- The Board determined the score of the business component for the annual incentive at 140.5% for an on target of 100%. In determining the annual incentive, the Board carefully considered individual performance in addition to the abovementioned business performance.
- The relative Total Shareholder Return (TSR) over the performance period for the Long Term Investment Plan (LTIP) of 2019 positioned below the 25th percentile of the peer group , as a result there was no vesting of the LTI-plan 2019.
- Total CEO–pay for 2023 versus the average employee remuneration results in a comparative ratio of 23.1, in relation to the lowest employee remuneration at Ageas SA/NV this results in a comparative ratio of 28.7

Shareholder vote and feedback

We strongly value the dialogue with our shareholders and integrate their feedback in the agenda and discussions of the Remuneration Committee. The Remuneration Policy was submitted for approval to the General Meeting of Shareholders of May 2020. According to the requirements of the Shareholders' Rights Directive the renewed Remuneration Policy will be submitted for approval to the General Meeting of Shareholders of 15 May 2024. The Remuneration Report 2022 was validated with 94.82% of shareholder votes.

Looking ahead

Looking forward to 2024 the following topics have to be mentioned:

- The Remuneration Committee discussed the competitive benchmarking of the remuneration of the Board of Directors against current market practices. Based on this benchmark and the fact that no adjustments happened since 2018, the Remuneration Committee recommended, and the Board approved to increase the fixed fee of the Chair from EUR 120.000 to EUR 150.000 gross/year. It was also recommended to increase the attendance fees for the Board Committees to EUR 2.500 for the Chair of a Committee and to EUR 2.000 for a Committee member. These increases will apply as of January 2024.
- The Remuneration Committee discussed the changes in the Ageas Executive Committee which will be enlarged to eight members by including all its 4 business segments (Europe, Asia, Belgium, and Reinsurance), complemented by a newly created function of Managing Director Business Development.
- A review of the LTI-plan was conducted in collaboration with Willis Towers Watson with the objective to update the plan with Ageas's business profile and ensure further alignment with Shareholders' interest and market benchmarks. The Remuneration Committee discussed the proposal for a renewed LTI-plan applicable as of 2024. The main changes include:
  - An alignment of the LTI-plan for executive and senior management
  - A tightening of the performance conditions for vesting
  - A revision of the peer group in line with the profile of Ageas
  - The integration of an ESG- component in the performance conditions next to relative TSR - performance
- The new LTI-plan will be integrated in the Remuneration Policy which is submitted for approval to the General Shareholders' Meeting of 15 May 2024.

Conclusion

The second year of the Impact24 plan, Ageas shows strong delivery both in terms of financial performance and commitments on its non- financial ambitions. As a committee we aim to support the achievement of our business and ESG ambitions while continuing to align with best practice remuneration and governance.

The Remuneration Report includes a summary of how our Board of Directors and Executive Committee Remuneration Policy was implemented in 2023 and provides a transparent disclosure of the actual remuneration levels, including variable and share-based remuneration.

I look forward to presenting our Remuneration Report at the General Meeting of Shareholders on 15 May 2024.

Jane Murphy
Chair of the Remuneration Committee

6.7.1 The application of our Remuneration Policy in 2023.

The Remuneration Committee

On 31 December 2023, the Remuneration Committee was composed of the following members: Jane Murphy (Chair), Sonali Chandmal, Katleen Vandeweyer and Jean-Michel Chatagny who replaced Guy de Selliers de Moranville. The committee held 3 meetings during the year under review. A specific Board meeting, not including the Executive Directors was dedicated to the appraisal and target setting of the CEO and the Executive Committee members. The CEO and the Group HR Director attended the meetings of the Remuneration Committee, except for matters relating to themselves. Attendance details can be found in section 6.5 Board of Directors.

The Remuneration Committee is assisted by Willis Towers Watson an external professional services company. WTW does not provide material compensation or benefits-related services to the Executive Committee of Ageas, or to any other part of the Ageas organisation.

Committee activities in 2023

In 2023, the Committee discussed and submitted recommendations to the Board of Directors on:

- The benchmarking and review of the remuneration of the members of the Management Committee, the Executive Committee and the Board of Directors against current market practices;
- The disclosure of the remuneration of Board and Executive Committee Members in the notes to the Annual Consolidated Financial Statements;
- The report of the Remuneration Committee as included in the Corporate Governance Statement;
- The feedback on the shareholder's vote on the Remuneration Report;
- The share-linked incentive plan in favour of senior management;
- The remuneration framework for Ageas Re, including the remuneration of the Group Director Reinsurance.
- The remuneration of the independent control functions;
- The review of the long term incentive plans for the Executive and senior management;
- The individual targets (quantitative and qualitative) for the members of the Management and Executive Committee for 2023;
- The targets for the business KPIs for 2023;
- The specific KPI's for the Chief Risk Officer (see 6.7.2 for more details on the specific KPIs) for 2023;
- The assessment of the results on the individual objectives and the business KPIs for 2022;
- The individual Short-term incentive (STI) and Long-term incentive (LTI) of the members of the Management and Executive Committee based on the above assessments.

Key objectives of our Remuneration Policy

Our Remuneration Policy focuses on meritocracy and performance, maximizing return in a responsible and sustainable way while enhancing Ageas's ability to ensure market competitiveness, observe sound principles of risk management, provide full transparency on remuneration and guarantee compliance with Belgian legislation and European regulations.

Compliance with existing and upcoming legislation

Ageas is closely monitoring existing and upcoming legislation and anticipates changes when appropriate. The Ageas Remuneration Policy and Remuneration Report are drafted taking into account, the Solvency II Directive, the EU Shareholder Rights' Directive II, its implementation in Belgian legislation, the Belgian Corporate Governance Code 2021 and the updated Circular NBB 2016_31 (on the expectations of the National Bank of Belgium regarding the governance system for the insurance and reinsurance sector). The Remuneration Policy is reviewed annually by the Remuneration Committee. According to the requirements of the Shareholders' Rights Directive, the renewed Remuneration Policy will be submitted for approval to the General Meeting of Shareholders of 15 May 2024.

6.7.2 Actual Remuneration 2023

6.7.2.1 Board of Directors

Changes in the Board of Directors in 2023

On 31 December 2023, the Board of Directors was composed of thirteen members, namely: Bart De Smet (Chair), Jane Murphy (Vice-Chair), Richard Jackson, Lucrezia Reichlin, Yvonne Lang Ketterer, Katleen Vandeweyer, Sonali Chandmal, Jean-Michel Chatagny, Carolin Gabor, Alicia Garcia Herrero, Hans De Cuyper (CEO), Wim Guilliams (CFO) and Emmanuel Van Grimbergen (CRO).

Alicia Garcia Herrero and Wim Guilliams were appointed as new members of the Board of Directors at the General Shareholders' Meeting of 17 May 2023 and the mandate of Emmanuel Van Grimbergen was renewed.

The mandates of Christophe Boizard, Filip Coremans and Guy de Selliers de Moranville came to an end on 17 May 2023 and were not renewed. Antonio Cano ended his mandate as a member of the Board of Directors at the same date.

Both Filip Coremans and Antonio Cano remain as members of the Executive Committee, respectively as MD Asia and MD Europe.

Regarding Board membership of Non-Executive Board Members at Ageas subsidiaries, Bart De Smet and Richard Jackson are member of the Board of Directors of Ageas UK Ltd, Katleen Vandeweyer and Jean-Michel Chatagny are members of the Board of AG insurance. Jane Murphy was member of the Board of Directors of Ageas France SA until 22 September 2023 and Yvonne Lang Ketterer and Sonali Chandmal are members of the Board of Directors of Ageas Portugal Holdings SGSP (PT), of Médis (Companhia Portuguesa de Seguros de Saude S.A.), Ageas Portugal - Companhia Portuguesa de Seguros S.A. and Ageas Portugal - Companhia Portuguesa de Seguros de Vida SA.

To the extent that these positions are remunerated, the amounts paid out are disclosed in the tables below.

Remuneration of the Board of Directors

Total remuneration of Non-Executive Board Members amounted to EUR 1.56 million in the 2023 financial year (2022: EUR 1.49 million). This remuneration includes the basic remuneration for Board Membership and the attendance fees for Board Meetings and Board Committee meetings both at the level of Ageas and at its subsidiaries.

The remuneration received by Board of Directors Members in 2023 is detailed in the table below. The number of Ageas shares held by Board Members at 31 December 2023 is reported in the same table.

Incumbent Name (1)	Function (2)	Fixed fees 2023	Attendance fees 2023	Total (4)	Ageas Shares at 31/12/2023	
Bart De Smet	Chair	120,000	55,000	175,000	45,121	
Jane Murphy	Vice-chair (as of 17 May 2023)	60,000	47,500	107,500	0	
Guy de Selliers de Moranville	Vice-chair (until 17 May 2023)	25,000	25,500	50,500	Na	(5)
Yvonne Lang Ketterer	Non-executive Board member	60,000	51,000	111,000	0	
Richard Jackson	Non-executive Board member	60,000	57,500	117,500	0	
Lucrezia Reichlin	Non-executive Board member	60,000	44,500	104,500	0	
Katleen Vandeweyer	Non-executive Board member	60,000	49,000	109,000	0	
Sonali Chandmal	Non-executive Board member	60,000	38,500	98,500	0	
Jean-Michel Chatagny	Non-executive Board member	60,000	46,000	106,000	0	
Alicia Garcia Herrero (1)	Non-executive Board member	35,000	22,500	57,500	0	
Carolin Gabor	Non-executive Board member	60,000	32,000	92,000	0	
Hans De Cuyper	Chief Executive Officer (CEO) (3)	-	-	see infra	9,161	
Wim Guilliams	Chief Financial Officer (CFO) (3)	-	-	see infra	3,500	
Emmanuel Van Grimbergen	Chief Risk Officer (CRO) (3)	-	-	see infra	10,829	
Total		**660,000**	**469,000**	**1,129,000**	**68,611**	

(1) Alicia Garcia Herrero was appointed as new member of the Board at the general shareholder's meeting of 17 May 2023
(2) Board Members also receive an attendance fee for committee meetings they attend as invitee.
(3) The Executive Board members are not remunerated as Board Members, but as Executive Committee members.
(4) Excluding reimbursement of expenses.
(5) Guy de Selliers stepped down from his Board mandate at the general shareholder's meeting of 17 May 2023

The remuneration received by Board of Directors Members in 2023 for their mandates in subsidiaries of Ageas is mentioned in the table below.

Incumbent Name (1)	Function	Fixed fees 2023	Attendance fees 2023	Total (2)
Bart De Smet	Chair	45,000	12,000	57,000
Jane Murphy	Vice - chair (as of 17 May 2023)	33,750	14,000	47,750
Guy de Selliers de Moranville	Vice - chair (until 17 May 2023)	20,000	7,000	27,000
Yvonne Lang Ketterer	Non-executive Board member	45,000	17,000	62,000
Richard Jackson	Non-executive Board member	45,000	14,000	59,000
Lucrezia Reichlin	Non-executive Board member	-	-	
Katleen Vandeweyer	Non-executive Board member	45,000	26,000	71,000
Sonali Chandmal	Non-executive Board member	45,000	18,000	63,000
Jean-Michel Chatagny	Non-executive Board member	30,000	10,000	40,000
Alicia Garcia Herrero	Non-executive Board member			
Carolin Gabor	Non-executive Board member			
Hans De Cuyper	Chief Executive Officer (CEO)	-	-	-
Christophe Boizard	Chief Financial Officer (CFO)	-	-	-
Emmanuel Van Grimbergen	Chief Risk Officer (CRO)	-	-	
Total		**308,750**	**118,000**	**426,750**

(1) The Executive Board members are not remunerated as Board Members, but as Executive Committee members.
(2) Excluding reimbursement of expenses.

6.7.2.2. Executive Committee Members.

The Executive Committee in 2023

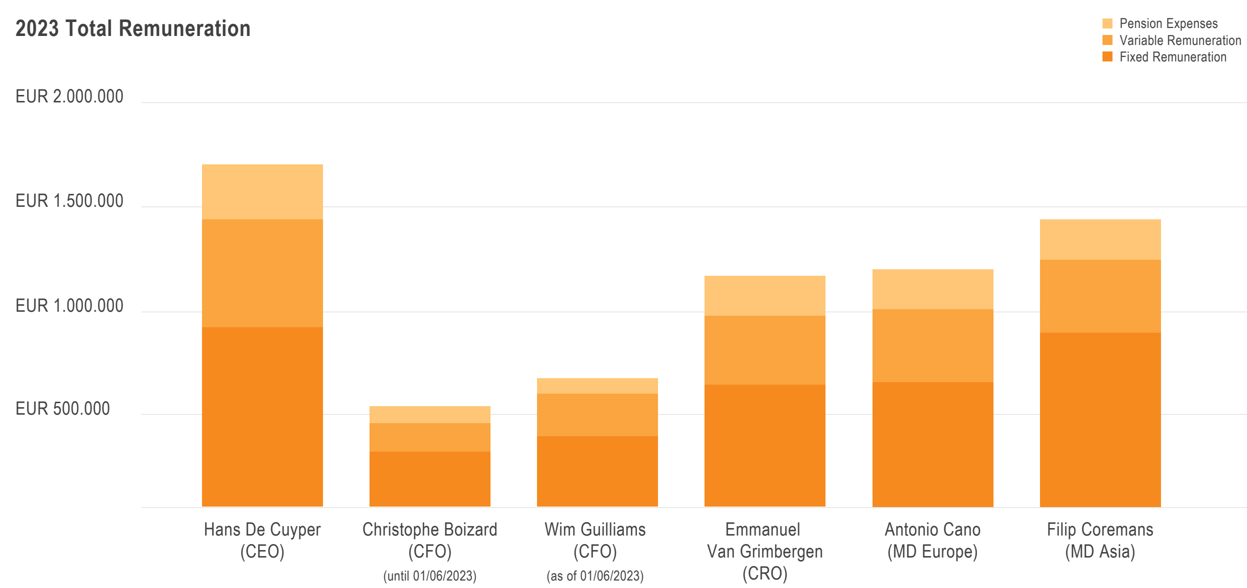
On 31st December 2023, the Executive Committee of Ageas was composed of Hans De Cuyper (CEO), Wim Guilliams (CFO), Filip Coremans (MD Asia), Antonio Cano (MD Europe) and Emmanuel Van Grimbergen (CRO). Christophe Boizard stepped down from his function as CFO following the General Shareholders' Meeting and was succeeded by Wim Guilliams.

Total Remuneration of the Executive Committee for 2023

In 2023, the total remuneration including pension contributions and fringe benefits of the Executive Committee amounted to EUR 6,325,510 compared to EUR 6,695,953 in 2022. This was comprised of:

- a fixed remuneration of EUR 3,457,068 (compared to EUR 3,103,624 in 2022) consisting of a base compensation of EUR 2,790,000 and other benefits (health, death & disability cover and company car) of EUR 667,068
- a variable remuneration of EUR 1,876,001 (compared to EUR 2,586,500 in 2022) consisting of a one-year variable remuneration (STI) awarded of EUR 1,876,001 payable in cash over a period of 3 years.
- pension expenses of EUR 992,441 (excluding taxes) (compared to EUR 1,005,829 (excluding taxes) in 2022).

The graph below illustrates the different components of remuneration for each of the Exco-members.



The table below gives an overview of all pay elements for members of the Executive Committee.

	- 1 - Fixed Remuneration			- 2 - Variable Remuneration		- 3 - Extraordinary Items	- 4 - Pension Expense	- 5 - Total Remuneration	Proportion of	
Incumbent Name	**Base Compensation**	**Fees**	**Other Benefits**	**One-Year Variable**	**Multi-year Variable (1)**				**Fixed (1+4)/5**	**Variable (2+3)/5**
H. De Cuyper	750,000	-	104,738	515,064	0	-	262,797	1,632,599	68%	32%
C. Boizard (until 01/06/2023)	212,500	-	49,484	136,370	0	-	79,101	477,455	71%	29%
W. Guilliams (as of 01/06/2023)	297,500		37,858	202,524	0		74,375	612,257	67%	33%
E. Van Grimbergen	510,000	-	71,003	328,440	0	-	190,926	1,100,369	70%	30%
A. Cano	510,000	-	84,166	346,419	0	-	191,850	1,132,435	69%	31%
F. Coremans (2)	510,000	-	319,820	347,184	0	-	193,392	1,370,396	75%	25%
Total	**2,790,000**	**-**	**667,068**	**1,876,001**	**0**	**0**	**992,441**	**6,325,510**		

(1) Market value of multi-year variable at granting.
The vesting after 3.5 years is subject to a relative TSR performance measurement as compared to a peer group.
(2) Including Asia housing cost in other benefits
(3) All amounts related to Christophe Boizard and Wim Guilliams are on a pro rata base.

A. FIXED REMUNERATION

Fixed remuneration consists of base compensation, fees and other benefits such as health, death & disability cover and company car.

Base Compensation

The table below shows the 2023 base compensation levels of the Executive Committee and how they compare to 2022.

Incumbent Name	**2023 (1)**	**2022 (1)**	**%**
Hans De Cuyper (CEO)	750,000	750,000	100%
Christophe Boizard (CFO) (1)	212,500	485,000	
Wim Guilliams (CFO) (2)	297,500	Na	
Emmanuel Van Grimbergen (CRO)	510,000	485,000	105%
Antonio Cano (MD Europe)	510,000	485,000	105%
Filip Coremans (MD Asia)	510,000	485,000	105%
Total	**2,790,000**	**2,690,000**	**105%**

(1) until 01/06/2023
(2) as of 01/06/2023

Fees

The Members of the Executive Committee did not receive any fees for their participation in the meetings of the Board of Directors.

Other Benefits

The Members of the Executive Committee received a total aggregated amount of EUR 667.068 representing other benefits (health, death and disability cover and a company car) in line with the remuneration policy.

B. VARIABLE REMUNERATION

Variable remuneration consists of the Short-term incentive (STI - one year variable) and the Long-term incentive (LTI - multi-year variable).

Short-Term incentive (STI)

The Ageas Business Score for the year under review as well as the individual performance score (and function performance for the CRO), has led to the following actual STI pay-out percentages (target = 50% of base compensation, range 0-100% of base compensation):

- Hans De Cuyper (CEO) : 137% of target;
- Wim Guilliams (CFO): 136 % of target;
- Emmanuel Van Grimbergen (CRO): 129 % of target;
- Antonio Cano (MD Europe): 136 % of target;
- Filip Coremans (MD Asia): 136 % of target;
- Christophe Boizard : 128 % of target.

For the performance year 2023, a STI for a total amount of EUR 1,876,001 was awarded. 50% of this amount will be paid in 2024, 25 % is deferred to 2025 and 25 % is deferred to 2026 and will be adjusted for performance accordingly.

The STI paid in 2024 consists of 50% of the STI earned for the performance year 2023, 25% of the STI earned for 2022 and 25% of the STI earned for 2021. The pay-outs corresponding to performance years 2021 and 2022 were adjusted based on performance over the years 2023 and 2022.

You will find below the individual amounts awarded for each member of the Executive Committee:

Incumbent Name	STI granted for performance year 2023	STI paid in 2024 for performance years 2023 50%	2022 25%	2021 25%	Total
Hans De Cuyper (CEO)	515,064	257,532	113,162	97,536	468,230
Christophe Boizard (CFO) (1)	136,370	68,185	70,633	70,228	209,046
Wim Guilliams (CFO) (2)	202,524	101,262	-	-	101,262
Emmanuel Van Grimbergen (CRO)	328,440	164,220	70,760	71,103	306,083
Antonio Cano (MD Europe)	346,419	173,210	70,633	71,503	315,346
Filip Coremans (MD Asia)	347,184	173,592	72,270	72,778	318,640
Total	**1,876,001**				**1,718,607**

(1) until 01/06/2023
(2) as of 01/06/2023

Performance criteria for the 2023 STI

All variable remuneration in relation to the 2023 performance was determined in line with the Remuneration Policy. The one-year variable remuneration (STI) for the Executive Committee Members is determined by reference to the achievement of individual performance criteria (weight 30%) and company performance criteria (weight 70%).

The company performance criteria consist of both financial and non- financial (stakeholder related) Key Performance Indicators (KPI's.) For the CRO specific criteria related to the risk function apply.

Individual performance is measured on specific strategic actions and on an assessment against the criteria of the Ageas leadership framework. The table below gives an overview of the KPI's their respective weight and the level of achievement as assessed by the Board of Directors.

Incumbent Name	Ageas Performance Score (1)	Weight	Individual Performance Score	Weight	Risk Performance Score	Weight	Total Performance Score
Hans De Cuyper	141%	70%	130%	30%	na	0%	137%
Wim Guilliams	141%	70%	126%	30%	na	0%	136%
Christophe Boizard	141%	70%	100%	30%	na	0%	128%
Emmanuel Van Grimbergen (2)	141%	40%	122%	30%	120%	30%	129%
Antonio Cano	141%	70%	125%	30%	na	0%	136%
Filip Coremans	141%	70%	126%	30%	na	0%	136%

(1) Detail of Ageas Business Score: please see detail below
(2) For the CRO the Ageas Business performance weighs for 40%, the additional 30% is linked to the performance of the Risk Function.

- The individual performance score weighting of 30% includes an individual assessment based on the Ageas Leadership framework. This framework defines 11 leadership behaviors linked to the Ageas values 'Care', 'Dare', 'Share' and' Deliver', role modeling the expected behaviors for Ageas leaders. The scoring for this component is based on a self-assessment, the input from the peer review, the input from the CEO for the ExCo – members and from the Chair for the CEO. The final score is assigned following the calibration discussion at the Board of Directors. Next to this leadership score, each ExCo- member was assessed on specific objectives linked to his area of responsibility and the implementation of the Impact24 plan.
- The Ageas performance score is determined by the performance on financial KPI's and non- financial (stakeholder related KPI). These KPI's are common for all members of the ExCo. The weight of this component is 70% with the exception for the CRO where it is 40%.
- For the CRO specific KPIs related to the Risk function are weighting for 30% in the assessment. These KPIs include qualitative and operational objectives on model validation and the actuarial function, on Enterprise Risk Management (ERM), information security and GDPR, on Reinsurance and Solvency.

The financial KPI set are fully aligned with the Impact24 strategic plan and budget.

The stakeholder KPIs include

- People KPIs : Ageas achieved two of the targets for 2024, with a score of 67.4, the Employee NPS (eNPS) for our consolidated entities positions in the top quartile of the benchmark (provided by Peakon).
  The Gender Diversity Index which measures the presence of the different genders at executive level (GDI as measured by Women on Board) improved from 0.75 to 0.87.
- For the Glass Ceiling Index which measures the ratio of women in senior management versus the total of women in the company showed a considerable improvement from 57% to 65%, close to our Impact24 – target of 70%. The balance in our succession pipeline for senior management showed a small improvement to a ratio of 67% Men and 33% Women. Above achievements resulted in overall score of 125% for this KPI.
- Customer NPS: customer net promotor score is measured based on competitive and transactional NPS. The average score for all operational companies resulted in score of 125% on a range of 0-200%.
- ESG- KPIs : We observed an improvement of our position on 5 of the 6 ESG- rating agencies. Also, the targets on sustainable assets, on ESG integration in investment decisions and GWP in sustainable products were largely met while the target on Carbon emission was not achieved. Overall this resulted in a 150% score for the ESG- KPIs.

For more detailed information on the stakeholder KPIs we refer to note "A.5. Sustainability at the heart of everything we do".

Detail of Ageas Business Score (1)

Ageas Metrics		Weight	Threshold	Target	Maximum	Actual	Achievement	Pay-out as % of Target
Financial	Net Operating Result	14.0%	872.90	1091.10	1309.30	1,165.90	18.80%	134.30%
	Earnings per share (EPS)	7.0%	4.80	6.00	7.20	6.35	9.04%	129.20%
	Free Cash flow	7.0%	499.00	624.00	749.00	646.00	8.16%	116.50%
	Growth	3.5%	weigted average score of the business segments			127.00%	4.45%	127.00%
	Combined Ratio	7.0%	96.70%	94.00%	92.00%	92.10%	13.52%	193.20%
	Operating margin guaranteed	7.0%	0.90%	1.00%	1.10%	1.07%	11.62%	166.00%
	Operating margin unit linked	3.5%	0.33%	0.38%	0.48%	0.39%	3.88%	110.90%
Stakeholders	People (2)	5.3%	no improvement on people KPIs	Improvement on 2 KPIs & 1 target 2024 achieved	all targets 2024 achieved		6.56%	125.00%
	Customer NPS	5.3%	average of operational companies				6.56%	125.00%
	Society (3)	5.3%	no improvement on society KPIs	Improvement on 1 KPI & 3 targets achieved	all targets achieved of which one 2024		7.88%	150.00%
	ESG-rating	5.3%	1 or less rating better	4 of 6 ratings better	5 of 6 ratings better with a 10% increase for 3 ratings		7.88%	150.00%
Total		**70%**					**98%**	**140.50%**

(1) Scores range from 0%, to 100% for on target performance, to max 200% for overperformance.
(2) four people KPIs: Employee NPS, Gender diversity index, Glass Ceiling Index, Balanced succession pipeline
(3) Society KPIs: % sustainable products, € sustainable investments, ESG in investment decisions , Carbon emissions

Long Term Incentive (LTI)

Grants

In collaboration with Willis Towers Watson a new LTI-plan was discussed with the Remuneration Committee and validated by the Board of Directors to be submitted to the General Shareholders' Meeting of 15 May 2024. The grant will be performed according to these new plan rules subject to the approval of General Shareholders' Meeting.

2023 vesting

The 2019- LTI plan vested on 30 June 2023. According to the terms and conditions of the LTI Plan 2019, the initial number of Ageas shares granted was adjusted based on the relative TSR performance of Ageas against a predefined peer group.

Ageas's relative TSR was below the 25th percentile of the peer group. As such, there was no vesting of the LTI-plan 2019.

Incumbent Name	Number of shares committed to be granted for 2019	Adjusted number vested on 30 June 2023	Number of shares sold to finance income tax	Number of shares blocked till 1 January 2025
Hans De Cuyper (1)	4,196	0.00	0.00	0.00
Christophe Boizard	6,783	0.00	0.00	0.00
Emmanuel Van Grimbergen (2)	4,504	0.00	0.00	0.00
Antonio Cano	6,783	0.00	0.00	0.00
Filip Coremans	6,783	0.00	0.00	0.00
Total	**29,049**	**0.00**	**0.00**	**0.00**

(1) Relates to restricted shares awarded in the role of CEO AG Insurance.

(2) Relates to restricted shares awarded in the role of Group Risk officer.

Outstanding grants

The table below gives an overview of the number of shares granted in previous years. These shares only vest on 30 June of N+4 and are subject to the relative TSR-performance over the performance period.

Incumbent name	Number of shares committed to be granted for 2020	Number of shares committed to be granted for 2021	Number of shares committed to be granted for 2022
Bart De Smet	8,617	0	0
Hans De Cuyper (1)	5,293	10,090	7,820
Christophe Boizard	7,165	7,529	5,057
Emmanuel Van Grimbergen	5,909	7,529	5,057
Antonio Cano	7,165	7,529	5,057
Filip Coremans	7,165	7,529	5,057
Total	**41,314**	**40,206**	**28,048**

(1) Shares granted until 22 October 2020 relate to his mandate as CEO of AG Insurance. 1,600 shares for 2020 relate to the CEO Ageas function.

Shareholding requirement

The ExCo members are subject to a shareholding requirement of 100% of gross base compensation. You find below the valuation of this shareholding requirement at 31/12/2023. In case the threshold is not met, the Exco member is restricted from selling shares which vest under the LTI-plan (excluding the sale of shares to cover taxes on vesting).

Incumbent	Number of shares	Share price at 29-12-2023	Value at 31-12-2023	Base salary	Ratio
Hans De Cuyper	9,161	39.31	360,119	750,000	48%
Wim Guilliams	3,500	39.31	137,585	297,500	46%
Emmanuel Van Grimbergen	10,829	39.31	425,688	510,000	83%
Antonio Cano	15,982	39.31	628,252	510,000	123%
Filip Coremans	18,407	39.31	723,579	510,000	142%

C. EXTRAORDINARY ITEMS AND PENSION EXPENSES

A total aggregated amount of EUR 992,441 was contributed to a defined contribution pension plan for the Executive Committee members.

Incumbent Name	Pension Contribution
Hans De Cuyper	262,797
Christophe Boizard (until 01/06/2023)	79,101
Wim Guilliams (as of 01/06/2023)	74,375
Emmanuel Van Grimbergen	190,926
Antonio Cano	191,850
Filip Coremans	193,392
Total	**992,441**

6.7.2.3 Additional disclosure and derogations from the policy

Ageas did not apply any clawback provision during the year under review. There were no derogations from the policy during working year 2023.

6.7.2.4. Annual Change in Remuneration of Executive Committee Members versus the Wider Workforce & Company Performance

The table below gives an overview of the evolution of the total remuneration of the ExCo members in comparison with the evolution of the average remuneration of employees. The pay ratio is expressed both for the CEO remuneration versus the average employee remuneration and versus the lowest employee remuneration at the level of Ageas SA/NV.

Total CEO–pay for 2023 versus the average employee remuneration results in a comparative ratio of 23.1 (21.8 in 2022) In relation to the lowest employee remuneration at Ageas SA/NV this results in a comparative ratio of 28.7 (31 in 2022.

Annual change	2019	2020	Var	2021	Var	2022	var	2023	var
Exco total remuneration (1)									
Hans De Cuyper (as of 22/10/2020)	0	292,097		1,736,678		1,807,253	4%	1,632,599	(9.7%)
Christophe Boizard (until 01/06/2023)	1,396,680	1,419,062	2%	1,390,926	(2%)	1,238,935	(11%)	477,455	na
Wim Guilliams (as of 01/06/2023)								612,257	na
Filip Coremans	1,376,144	1,405,707	2%	1,375,878	(2%)	1,223,503	(11%)	1,370,396	12.0%
Antonio Cano	1,381,156	1,402,383	2%	1,373,483	(2%)	1,219,882	(11%)	1,132,435	(7.2%)
Emmanuel Van Grimbergen (as of 01/06/2019)	619,993	1,090,275		1,320,567	21%	1,206,380	(9%)	1,100,369	(8.8%)
Company performance									
Ageas Business score % (2)	130%	136%		116%		92%		141%	
TSR 01-01/31-12 of YR (3)	40.86%	(10.70%)		10.00%		0.90%		2.80%	
Average remuneration of employees on full- time base	77,372	83,029	7.0%	84,355	7%	82,903	(2%)	70,639	(15%)
FTE at 31/12 (4)	10,741.5	10,044.7		10,100.2		11,121.5		14,836	
Total staff expenses (5)	831,100,000	834,000,000		852,000,000		922,000,000		1,048,000,000	
Pay ratio average remuneration to CEO remuneration (6)	**26.0**	**24.1**		**20.6**		**21.8**		**23.1**	
Pay ratio lowest remuneration (7) to CEO remuneration (6)				**33.4**		**31.0**		**28.7**	

(1) Total remuneration as defined in table for 6.7.2.2.
(2) Range is 0-200%.
(3) Total Shareholder Return.
(4) FTE for Ageas consolidated entities.
(5) As reported in the annual accounts.
(6) For comparison with previous years, CEO remuneration 2020 is calculated as the sum of total remuneration of B. De Smet and H. De Cuyper.
(7) Salary in lowest salary band at the level of ageas SA/NV.

6.7.3 Our Remuneration policy 2023 at a glance

At the start of 2024, Ageas conducted an assessment of the Remuneration policy which was discussed at the Remuneration Committee and validated by the Board of Directors. The main changes in comparison to the Remuneration Policy presented in 2020 include:

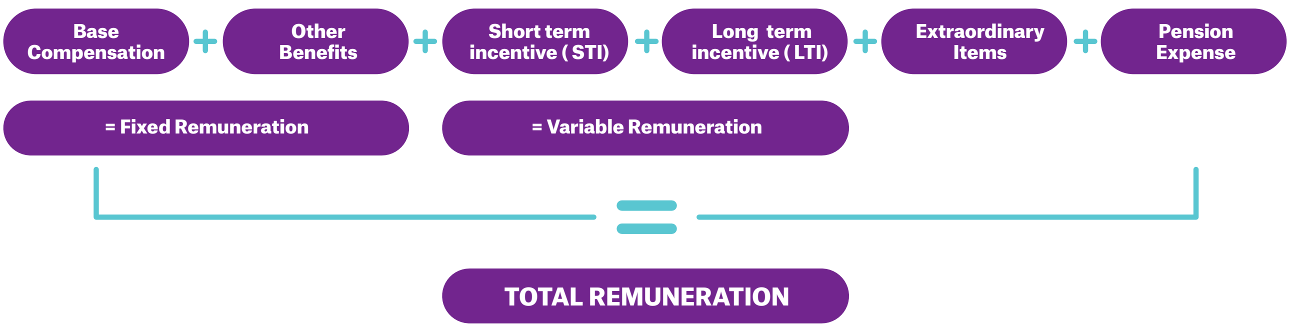
- An update on the scope and the governance of the Policy
- An update on the specific rules for 'Identified staff receiving significant variable remuneration.'
- An adjustment of the fixed fee for the Chair of the Board and the attendance fees for the Board Committees
- An adjustment of the weights for the calculation of the STI in view of the new Exco-structure.
- The introduction of of a new LTI-plan to be submitted for validation at the General Shareholders Meeting of 15 May 2024.

In line with the Shareholder's Rights Directive, the revised Remuneration Policy will be submitted for validation at the General Shareholders Meeting of 15 May 2024. In this section of the report, you will find a summary of the main elements of our Remuneration policy for Executive management and Non-Executive Directors **as applicable in 2023**

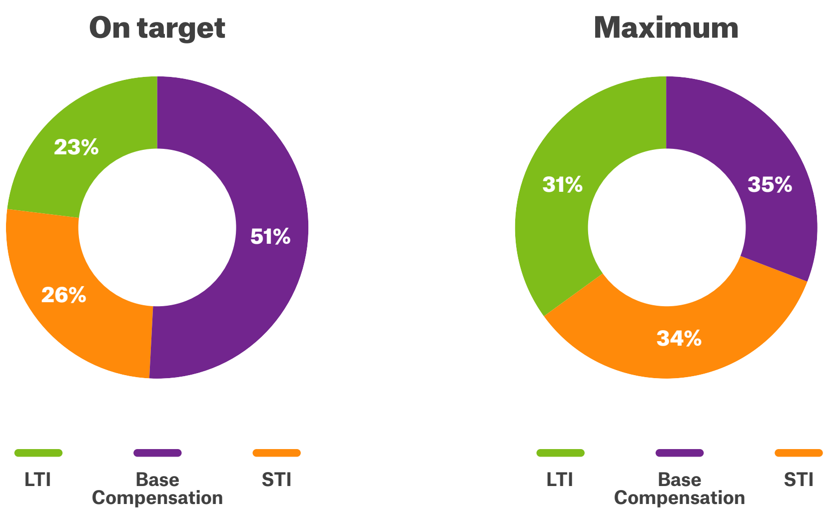
6.7.3.1. Executive Committee

The total remuneration package of the Executive Committee Members consists of the following elements that will be further explained below:

The pie charts below show the pay mix (base compensation vs. STI vs. LTI) for an Executive Committee Member both on target and at maximum:



The pie charts below show the pay mix (base compensation vs. STI vs. LTI) for an Executive Committee Member both on target and at maximum:



Fixed Remuneration

Fixed Remuneration	Principles
Base Compensation	Base Compensation is reviewed annually and compared with that of other BEL 20 companies (except from AB Inbev) and major European-based insurance firms. The objective of Ageas is to position the base compensation of the Executive Committee within a range of 80% to 120% of the chosen median market reference.
Other Benefits	The Executive Committee Members receive benefits in line with Ageas's remuneration policy, including health care, death anddisability coverage and a company car.

Variable Remuneration

1. Short- Term Incentive (STI)

Principles

The Short-Term Incentive (STI) on target is set at 50% of base compensation, with a maximum opportunity equal to 100% of base compensation.

The STI is subject to a deferral period of three years, i.e. STI for performance year N is paid out as follows:

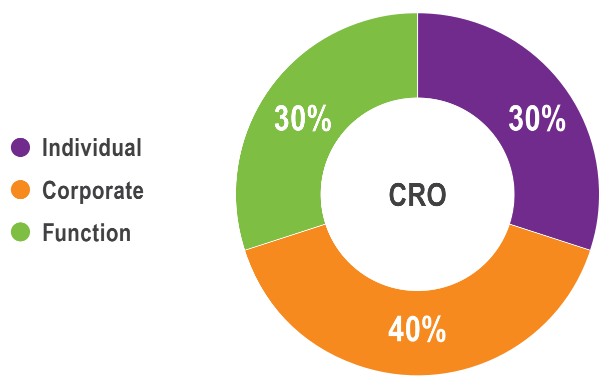
- 50% during N + 1
- 25% during N + 2
- 25% during N + 3

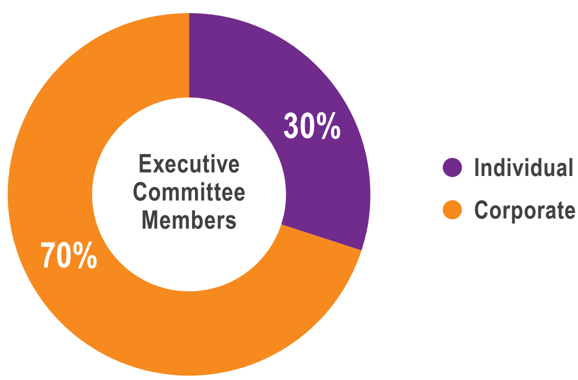
In line with the Remuneration Policy, deferred amounts are subject to the achievement of sustained performance over the deferral period and are therefore subject to upwards or downwards adjustments.

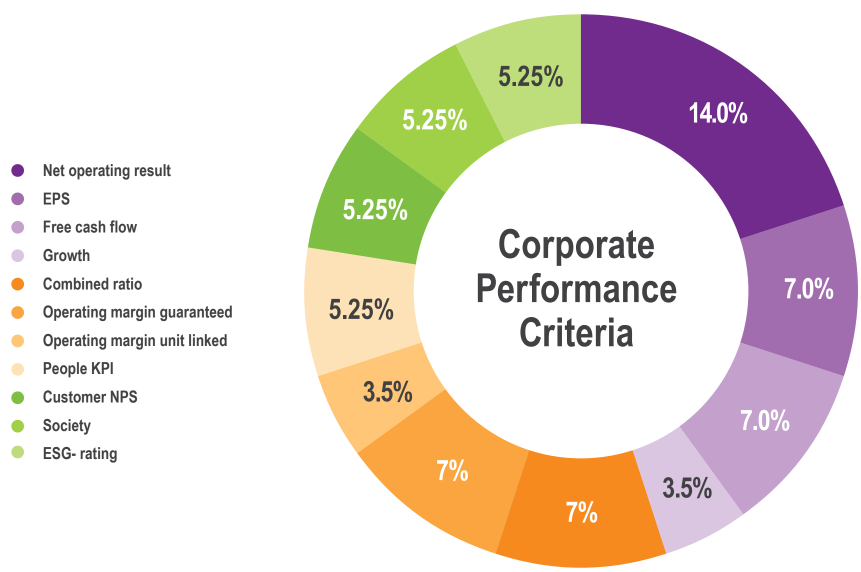
The Short-Term Incentive Plan includes a claw-back provision.

Performance Criteria

Annual performance is assessed against both business and individual performance criteria for all Executive Committee Members. For the CRO, there are specific criteria linked to the Risk function.







2. Long-Term Incentive (LTI)

Principles

The Long-Term Incentive Plan target is set at 45% of base compensation for all Executive Committee Members, with a maximum opportunity equal to 90% of base compensation.

Performance/Vesting and Holding Period

The performance shares vest 3.5 years after grant. After vesting, the shares will have to be held for an additional 1.5 years (5 years in total as of date of grant). After this blocking period, the beneficiaries may sell the vested shares under certain conditions, in line with the Remuneration Policy.

Performance Criteria

A two-step methodology is used to determine the number of shares that will be granted (step 1) and the number of shares that will vest at the end of the performance period (step 2).

Step 1 - Grant methodology

The number of shares to be granted under this plan is based on the “Ageas Business Score” which is the result of the achievement on the corporate KPIs (please refer to the STI section just above for further details) and is calculated as follows:

AGEAS Business Score	% of Target	Grant % of Base Compensation
<3	0%	0%
3	50%	22.50%
4 (on target)	100%	45%
5	150%	67.50%
6 or 7	200%	90%

Step 2 - Vesting methodology

The vesting level is subject to relative TSR performance assessed against the pre-determined peer group outlined. Performance is measured over a period of 3.5 years. The rank which the Ageas’s TSR achieves over the performance period will determine how many shares will vest under this measure, as outlined. Please see the tables below for further details. In any case the total number of shares attributed at vesting will never exceed an amount of shares equal to 90% of base compensation divided by the share price at initial grant.

Percentile TSR Ranking	Vesting %
≥75%	200%
≥60%-<75%	150%
≥40%-<60%	100%
≥25%-<40%	50%
<25%	0%

Peer Group

The following companies, which have a comparable business model and include several competitors, constitute the peer group for the grant:

AEGON NV	KBC GROEP NV
ALLIANZ SE-REG	MAPFRE SA
ASSICURAZIONI GENERALI	NATIONALE NEDERLANDEN
AVIVA PLC	PRUDENTIAL PLC
AXA SA	SAMPO OYJ-A SHS
BALOISE INSURANCE	SWISS LIFE HOLDING AG-REG
BNP PARIBAS	VIENNA INSURANCE GROUP AG
CNP ASSURANCES	ZURICH INSURANCE GROUP AG

Shareholding requirement

Members of the Executive Committee are subject to a shareholding requirement of 100% of gross base compensation. As long as they have not reached or respected this threshold, they will be restricted from selling shares which vest under the LTI-plan (excluding the sale of shares to cover taxes on vesting).

The valuation of the requirement will happen annually based on the shareholding by the Executive Director at 31/12.

Extraordinary items and Pension

Pay Element	Principles
Extraordinary items	For each Member of the Executive Committee, severance pay equals 12 months' salary which can in specific circumstances be increased to 18 months (including the non-competition provision). More detailed information on termination arrangements applicable to the Executive Committee is available in our Remuneration Policy which can be found on Ageas's website.
Pension	Executive Committee Members benefit from a Defined Contribution pension plan. The pension contribution for Executive Committee Members is equal to 25% of (base compensation + variable pay). This plan includes death coverage as well.

6.7.3.2 Board of Directors

Board of Ageas SA/NV

As per Remuneration Policy terms, Non-Executive Board Members of Ageas receive a fixed fee and an attendance fee, whereas Committee Members only receive attendance fees. The table below gives an overview of the fixed fees and attendance fees applicable to the Ageas Board since 1 January 2018.

	Board		Committee	
	Chair	Member	Chair	Member
Fixed Fee	EUR 120,000	EUR 60,000	N/A	N/A
Attendance Fee	EUR 2,500	EUR 2,000	EUR 2,000	EUR 1,500

In accordance with the Remuneration Policy, Non-Executive Board Members do not receive variable and or equity-related remuneration and are not entitled to pension rights.

In line with principle 7.6 of the new Belgian Corporate Governance Code 2020, Non-Executive Board members will receive up to a maximum of 20% of their fixed remuneration in the form of Ageas shares. This principle will be applied as of any future increase in Board remuneration.

The remuneration of the Executive Board Members (i.e. the Executive Committee Members) is related exclusively to their position as Executive Committee Members.

Representing Ageas SA/NV in Ageas Group consolidated entities

The remuneration of the Non-Executive Directors representing Ageas SA/NV in Ageas Group consolidated entities has been aligned since 1 January 2019 according to the table below:

	Board		Committee	
	Chair	Member	Chair	Member
Fixed Fee	EUR 60,000	EUR 45,000	N/A	N/A
Attendance Fee	EUR 2,500	EUR 2,000	EUR 2,000	EUR 1,500

B

Consolidated financial statements

Consolidated statement of financial position

	Note	31 December 2023	31 December 2022 Restated (*)
Assets			
Cash and cash equivalents	*1*	1,875	1,176
Financial investments	*2*	79,541	76,489
Investment property	*3*	2,975	3,030
Insurance contract assets	*9*	21	18
Reinsurance contract assets	*10*	653	677
Equity-accounted investments	*4*	4,459	4,680
Property and equipment	*5*	2,411	2,227
Goodwill and other intangible assets	*6*	1,480	1,416
Deferred tax assets	*7*	901	1,174
Accrued interest and other assets	*8*	2,377	2,193
Assets held for sale			4,212
Total assets		**96,693**	**97,292**
Liabilities			
Repurchase agreements		2,560	2,135
Investment contract liabilities		14,112	13,378
Insurance contract liabilities	*9*	64,054	62,572
Borrowings	*11*	1,667	1,592
Subordinated liabilities	*12*	2,520	2,517
RPN(I)	*13*	398	334
Deferred tax liabilities	*7*	412	417
Accrued interest and other liabilities	*14*	2,406	2,282
Provisions	*15*	65	72
Liabilities related to assets held for sale			4,057
Total liabilities		**88,194**	**89,356**
Equity			
Shareholders' equity	*16*	7,422	6,975
- *Share capital and share premium*		*3,553*	*3,553*
- *Other reserves*		*3,869*	*3,422*
Non-controlling interests	*17*	1,077	961
Total equity		**8,499**	**7,936**
Total liabilities and equity		**96,693**	**97,292**

(*) See 'Summary of accounting policies and estimates', section 2.

Consolidated income statement

	Note	2023	2022 Restated (*)
Insurance revenue	18	6,437	6,029
Insurance service expenses	19	(5,076)	(5,023)
Net result from reinsurance contracts held		(246)	(120)
Insurance service result		**1,115**	**886**
Interest, dividend and other investment income non-related to unit-linked investments	20	2,813	2,477
Net gain on derecognition and changes in fair value non-related to unit-linked investments	20	162	159
Investment income related to unit-linked investments		1,711	(2,935)
Net impairment loss on financial assets		(27)	(2)
Net investment income		**4,659**	**(301)**
Finance expenses from insurance contracts	20	(2,259)	(471)
Finance income from reinsurance contracts	20	14	7
Movement in investment contract liabilities		(1,088)	1,906
Net finance result	20	**1,326**	**1,141**
Net insurance and finance result		**2,441**	**2,027**
Other income	21	318	272
Financing costs	22	(275)	(153)
Change in impairments	23	(35)	(66)
Change in provisions	15	10	(1)
Unrealised gain (loss) on RPN(I)		(64)	139
Other operating expenses	24	(1,406)	(1,237)
Share in the results of equity-accounted investments	4	439	508
Total other income and expenses		**(1,013)**	**(538)**
Result before tax		**1,428**	**1,489**
Income tax expense	25	(251)	(205)
Net result for the period		**1,177**	**1,284**
Net result attributable to non-controlling interests		224	187
Net result attributable to shareholders		**953**	**1,097**
Per share data (EUR)			
Basic earnings per share		5.19	5.96
Diluted earnings per share		5.19	5.95

(*) See 'Summary of accounting policies and estimates', section 2.

Consolidated statement of comprehensive income

	Note	2023	2022 Restated (*)
Net result for the period		**1,177**	**1,284**
Items that will not be reclassified to the income statement:			
Remeasurement of defined benefit liability/asset	*26*	(56)	265
Net change in fair value of equity investments designated at FVOCI		370	(255)
Net change in fair value of hedging instruments		(14)	9
Net realised gains/(losses) on equity investments designated at FVOCI and hedging instruments reclassified to retained earnings		(31)	(65)
Share of other comprehensive income of equity-accounted investments	*4*	32	(156)
Related income tax		(2)	(18)
Total of items that will not be reclassified to the income statement		**299**	**(220)**
Items that are or may be reclassified subsequently to the income statement:			
Net change in fair value of financial investments measured at FVOCI		2,372	(13,813)
Net change in fair value of hedging instruments		(10)	89
Net finance expenses from insurance contracts	*20*	(1,911)	12,943
Net finance income from reinsurance contracts held	*20*	25	(216)
Foreign currency translation differences		(262)	(14)
Share of other comprehensive income of equity-accounted investments	*4*	(360)	(261)
Related income tax		61	282
Total of items that are or may be reclassified subsequently to the income statement		**(85)**	**(990)**
Other comprehensive income for the period		**214**	**(1,210)**
of which:			
Other comprehensive income relating to disposal group held for sale		*26*	*(44)*
Total comprehensive income for the period		**1,391**	**74**
Net result attributable to non-controlling interests		224	187
Other comprehensive income attributable to non-controlling interests		142	(134)
Total comprehensive income attributable to non-controlling interests		**366**	**53**
Total comprehensive income attributable to shareholders		**1,025**	**21**

(*) See ‘Summary of accounting policies and estimates’, section 2.

Consolidated statement of changes in equity

	Attributable to shareholders										
	Share capital	Share premium reserve	Other reserves	Net result attributable to shareholders	Re-measurement post-employment benefits plans	Currency translation reserve	Financial investments	Insurance and reinsurance contracts	Shareholders' equity	Non-controlling interests	Total equity
Balance as at 1 January 2022 as previously reported	**1,502**	**2,051**	**3,744**	**845**	**(104)**	**29**	**3,862**	**(15)**	**11,914**	**2,258**	**14,172**
Impact of initial application of IFRS 17			182				1,506	(7,646)	(5,958)	(1,735)	(7,693)
Impact of initial application of IFRS 9			703			(4)	1,169		1,868	590	2,458
Restated balance as at 1 January 2022 IFRS17/9	**1,502**	**2,051**	**4,629**	**845**	**(104)**	**25**	**6,537**	**(7,661)**	**7,824**	**1,113**	**8,937**
Impact of initial application of IAS 29			1			10			11		11
Restated balance as at 1 January 2022	**1,502**	**2,051**	**4,630**	**845**	**(104)**	**35**	**6,537**	**(7,661)**	**7,835**	**1,113**	**8,948**
of which amounts recognised in OCI and accumulated in equity relating to disposal group held for sale							*266*	*(249)*			
Net result for the period				1,097					1,097	187	1,284
Other comprehensive income					150	(9)	(8,633)	7,416	(1,076)	(134)	(1,210)
of which:											
Transfer from OCI to retained earnings upon disposal of equity investments designated at FVOCI							*(58)*		*(58)*	*(16)*	*(74)*
Total comprehensive income for the period (restated)				**1,097**	**150**	**(9)**	**(8,633)**	**7,416**	**21**	**53**	**74**
Transfer			845	(845)							
Dividend			(765)						(765)	(268)	(1,033)
Treasury shares			(91)						(91)		(91)
Other changes in equity [1]			(25)						(25)	63	38
of which:											
Transfer from OCI to retained earnings upon disposal of equity investments designated at FVOCI			*22*						*22*	*(7)*	*15*
Restated balance as at 31 December 2022	**1,502**	**2,051**	**4,594**	**1,097**	**46**	**26**	**(2,096)**	**(245)**	**6,975**	**961**	**7,936**
of which amounts recognised in OCI and accumulated in equity relating to disposal group held for sale					*1*		*(230)*	*203*			

(1) Next to the transfer to retained earnings of amounts in OCI upon disposal of equity investments designated at FVOCI, other changes in equity include changes in the fair value of the put option written on Interparking shares (Note 17), indemnities paid to BNP Paribas Fortis SA/NV for Ageas shares held related to the CASHES securities (see Note 28.2) and capital distributions, if and when applicable, to holders of FRESH and CASHES securities because Ageas's dividend yield exceeded 5%.

Consolidated statement of changes in equity (continued)

	Attributable to shareholders										
	Share capital	Share premium reserve	Other reserves	Net result attributable to share-holders	Re-measurement post-employment benefits plans	Currency translation reserve	Financial investments	Insurance and reinsurance contracts	Share-holders' equity	Non-controlling interests	Total equity
Restated balance as at 31 December 2022	**1,502**	**2,051**	**4,594**	**1,097**	**46**	**26**	**(2,096)**	**(245)**	**6,975**	**961**	**7,936**
Net result for the period				953					953	224	1,177
Other comprehensive income					(38)	(259)	2,577	(2,208)	72	142	214
of which:											
Transfer from OCI to retained earnings upon disposal of equity investments designated at FVOCI							*(34)*		*(34)*	*(8)*	*(42)*
Total comprehensive income for the period				**953**	**(38)**	**(259)**	**2,577**	**(2,208)**	**1,025**	**366**	**1,391**
Transfer			1,097	(1,097)							
Dividend			(540)						(540)	(242)	(782)
Treasury shares											
Other changes in equity (1)			(36)		(2)				(38)	(8)	(46)
of which:											
Transfer from OCI to retained earnings upon disposal of equity investments designated at FVOCI			*56*						*56*	*16*	*72*
Balance as at 31 December 2023	**1,502**	**2,051**	**5,115**	**953**	**6**	**(233)**	**481**	**(2,453)**	**7,422**	**1,077**	**8,499**

(1) Next to the transfer to retained earnings of amounts in OCI upon disposal of equity investments designated at FVOCI, other changes in equity include changes in the fair value of the put option written on Interparking shares (Note 17), indemnities paid to BNP Paribas Fortis SA/NV for Ageas shares held related to the CASHES securities (see Note 28.2) and capital distributions, if and when applicable, to holders of FRESH and CASHES securities because Ageas's dividend yield exceeded 5%.

Comprehensive equity

For Ageas' definition of Comprehensive Equity, refer to note 27 'Information on operating segments', section 'Alternative performance measures'.

	Note	31 December 2023	31 December 2022 Restated (*)
Shareholders' equity		**7,422**	**6,975**
Non-recognised net unrealised gains/(losses) of fully consolidated subsidiaries on:			
- Investment property	*3*	941	1,237
- Land and buildings held for own use and car parks	*5*	828	733
- Car park concession and other intangibles (real estate)	*6*	242	196
- Related income tax		(580)	(589)
Total non-recognised gains/(losses) of fully consolidated subsidiaries after income taxes		1,431	1,577
Attributable to non-controlling interests		360	395
Total non-recognised gains/(losses) of fully consolidated subsidiaries after income taxes, attributable to shareholders		**1,071**	**1,182**
Non-recognised gains/(losses) of equity-accounted investments after income taxes, attributable to shareholders		119	144
Total non-recognised gains/(losses) after income taxes, attributable to shareholders		**1,190**	**1,326**
Contractual service margin (life business) of fully consolidated subsidiaries:			
- From insurance contracts	*9*	3,718	3,460
- From reinsurance contracts held	*10*		
- Related income tax		(932)	(864)
Total contractual service margin (life business) of fully consolidated subsidiaries after income taxes		2,786	2,596
Attributable to non-controlling interests		711	660
Total contractual service margin (life business) of fully consolidated subsidiaries after income taxes, attributable to shareholders		**2,075**	**1,936**
Contractual service margin (life business) of equity-accounted investments after income taxes, attributable to shareholders		4,933	5,433
Total contractual service margin (life business) after income taxes, attributable to shareholders		**7,008**	**7,369**
Comprehensive shareholders' equity		**15,620**	**15,670**

(*) See 'Summary of accounting policies and estimates', section 2.

Consolidated statement of cash flow

	Note		2023		2022 Restated (*)
Cash and cash equivalents as at 1 January, from continued operations	*1*		1,176		2,142
Cash and cash equivalents as at 1 January, from disposal group held for sale			89		
Cash and cash equivalents as at 1 January			**1,265**		**2,142**
Result before taxation			**1,428**		**1,489**
Adjustments to non-cash items included in result before taxation:					
Remeasurement RPN(I)	*13*	64		(139)	
Net insurance service and finance result and result on sales and revaluations	*18 & 19 & 20*	409		776	
Share in result of equity-accounted investments	*4*	(439)		(508)	
Depreciation, amortisation and accretion (non-attributable to insurance contracts)	*24*	342		389	
Net impairment loss on financial assets and change in impairment	*23*	62		68	
Provisions		(10)		1	
Share-based compensation expense	*24*	(2)		3	
Total adjustments to non-cash items included in result before taxation			426		590
Changes in operating assets and liabilities:					
Insurance contracts assets and liabilities	*9*	(943)		(1,576)	
Reinsurance contracts assets and liabilities	*10*	(169)		(176)	
Investment contracts liabilities		(415)		605	
Net changes in all other operational assets and liabilities		23		247	
Income tax paid		(226)		(160)	
Total changes in operating assets and liabilities			(1,730)		(1,060)
Cash flow from operating activities			**124**		**1,019**
Investing activities within the group		(4)		(15)	
Purchases of financial investments	*2*	(10,994)		(14,313)	
Proceeds from sales and redemptions of financial investments	*2*	11,781		13,858	
Derivatives assets and liabilities (relating to investing activities)		116		(76)	
Cash flows relating to repurchase agreements		426		76	
Purchases of investment property	*3*	(256)		(162)	
Proceeds from sales of investment property	*3*	239		451	
Purchases of property and equipment	*5*	(146)		(82)	
Proceeds from sales of property and equipment	*5*	21		21	
Acquisitions of subsidiaries and associates (including capital increases in associates)		(91)		(493)	
Divestments of subsidiaries and associates (including capital repayments of associates)		180			
Dividend received from associates	*4*	171		184	
Purchases of intangible assets	*6*	(93)		(78)	
Proceeds from sales of intangible assets	*6*	3		12	
Cash flow from investing activities			**1,353**		**(617)**
Proceeds from the issuance of borrowings	*11*	34		34	
Payment of borrowings	*11*	(117)		(167)	
Purchases of treasury shares				(91)	
Dividends paid to shareholders of parent companies		(540)		(765)	
Dividends paid to non-controlling interests		(242)		(268)	
Repayment of capital (including minority interest)		(3)		(2)	
Cash flow from financing activities			**(868)**		**(1,259)**
Effects of foreign exchange differences on cash and cash equivalents			**1**		**(20)**
Cash and cash equivalents as at 31 December, from continued operations	*1*		1,875		1,176
Cash and cash equivalents as at 31 December, from disposal group held for sale					89
Cash and cash equivalents as at 31 December			**1,875**		**1,265**
Supplementary disclosure of operating cash flow information					
Interest received		75		179	
Dividend received from financial investments		1,777		1,573	
Interest paid		(242)		(174)	

(*) See 'Summary of accounting policies and estimates', section 2.

C

Notes to the consolidated financial statements

Summary of accounting policies and estimates

These Consolidated Financial Statements over the annual reporting period 2023 ('Consolidated Financial Statements') include the financial statements of Ageas SA/NV (the parent company) and its subsidiaries. The principal activities of Ageas and its subsidiaries and the nature of the Ageas's operations are set out in notes 27 and 29.

These Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

These consolidated financial statements are presented in euro, which is the functional currency of Ageas. All amounts have been rounded to the nearest million, unless indicated otherwise.

The Board of Directors of Ageas authorised these consolidated financial statements for issue on 10 April 2024.

1. Basis of accounting

The accounting policies applied for the year ended on 31 December 2023 are consistent with those applied for the year ended on 31 December 2022, except for the changes listed in section 2 below.

These consolidated financial statements are prepared on a going concern basis.

The consolidated statement of financial position is not presented using a current/non-current classification. Assets and liabilities recorded in the consolidated statement of financial position of Ageas generally have a duration of more than twelve months, except for cash and cash equivalents, insurance contract assets and other receivables, accrued interest, other assets, assets held for sale, repurchase agreements, Non-Life insurance contract liabilities for remaining coverage, accrued interest, other liabilities, current tax assets and liabilities related to assets held for sale.

The most significant IFRS standards applied for the measurement of assets and liabilities are:
- IAS 1 for presentation of financial statements;
- IAS 16 for property, plant and equipment;
- IAS 19 for employee benefits;
- IAS 21 for the effects of changes in foreign exchange rates;
- IAS 23 for borrowing costs (loans);
- IAS 28 for investments in associates and joint ventures;
- IAS 32 for financial instruments – presentation;
- IAS 36 for impairment of assets;
- IAS 38 for intangible assets;
- IAS 40 for investment property;
- IFRS 3 for business combinations;
- IFRS 7 for financial instruments – disclosures;
- IFRS 8 for operating segments;
- IFRS 9 for financial instruments;
- IFRS 10 for consolidated financial statements;
- IFRS 12 for disclosure of interests in other entities;
- IFRS 13 for fair value measurement;
- IFRS 15 for revenue from contracts with customers;
- IFRS 16 for leases; and
- IFRS 17 for insurance contracts.

2. Changes in material accounting policies and impact of initial application of IFRS 9 and IFRS 17

2.1 Current-year changes in IFRS standards

2.1.1 Adoption of IFRS 9 and IFRS 17 including any consequential amendments

In these consolidated financial statements, Ageas initially applied the standards IFRS 9 ‘Financial instruments’ and IFRS 17 ‘Insurance contracts’, including any consequential amendments to other IFRS standards effective as from 1 January 2023.

The adoption of IFRS 9 and IFRS 17 resulted in significant changes compared to the previously applied accounting policies. Ageas recognised the impact of the adoption of IFRS 9 and IFRS 17 in equity at the transition date.

The transition date towards IFRS 9 and IFRS 17 is 1 January 2022, because IFRS 17 requires an entity to restate information in respect of the reporting period 2022 in its financial statements over the reporting period ending on 31 December 2023.

In view of this requirement, Ageas decided to also restate comparative information for 2022 on financial instruments, applying the requirements in IFRS 9 on ‘classification and measurement’ and on ‘impairment’ to all its financial assets, using reasonable and supportable information available on 1 January 2022. This follows from the application of the ‘classification overlay’ included in the amendments to IFRS 17 ‘Initial application of IFRS 17 and IFRS 9 – comparative information’, which have been issued by the IASB in December 2021 and as endorsed by the EU in September 2022.

The table below includes the main impacts of the adoption of IFRS 9 and IFRS 17 on 1 January 2022.

IFRS4/IAS39 as previously reported	IFRS 17/IFRS 9 restated	Balance as at 1 January 2022 as previously reported	Adjustments due to adoption of IFRS 9	Transfer	Adjustments due to adoption of IFRS 17	Restated balance as at 1 January 2022
Cash and cash equivalents	Cash and cash equivalents	1,937	205			2,142
Financial investments (incl. loans)	Financial investments (incl. loans)	74,444	684	33	(518)	74,643
Investments related to UL contracts	UL Financial investments	18,899	2,258	9		21,166
Investment property	Investment property	3,117	44			3,161
	Life/Non-Life insurance contract assets				32	32
Reinsurance and other receivables		2,149			(1,298)	851
	Reinsurance contract assets				846	846
Current tax assets	Current tax assets	53				53
Equity-accounted investments	Equity-accounted investments	5,328	103		(645)	4,786
Property and equipment	Property and equipment	1,732				1,732
Goodwill and other intangible assets	Goodwill and other intangible assets	1,322			(33)	1,289
Deferred tax assets	Deferred tax assets	100	(1,391)		2,330	1,039
Accrued interests and other assets	Accrued interests and other assets	2,039	27	(62)	(433)	1,571
Assets held for sale	Assets held for sale	19				19
Total assets	**Total assets**	**111,139**	**1,930**	**(20)**	**281**	**113,330**
Repurchase agreements	Repurchase agreements	2,078		(20)		2,058
Current tax liabilities	Current tax liabilities	16				16
Liabilities related to UL contracts	Investment contract liabilities	18,901	60	3,137	(7,701)	14,397
	Life/Non-Life insurance contract liabilities				80,359	80,359
Liabilities from Life/Non-life insurance contracts		36,562		(3,137)	(33,425)	
Liabilities from Life investment contracts		30,617			(30,617)	
	Reinsurance contract liabilities				2	2
Borrowings	Borrowings	1,538			(74)	1,464
Provisions	Provisions	182				182
Deferred tax liabilities	Deferred tax liabilities	971	(615)		(38)	318
Subordinated liabilities	Subordinated liabilities	2,748				2,748
RPN(I)	RPN(I)	520				520
Accrued interest and other liabilities	Accrued interest and other liabilities	2,834	27		(532)	2,329
Total liabilities	**Total liabilities**	**96,967**	**(528)**	**(20)**	**7,974**	**104,393**
Share capital and retained earnings	Share capital and retained earnings	8,142	703		182	9,027
Other comprehensive income	Other comprehensive income	3,772	1,165		(6,140)	(1,203)
Non-controlling interest	Non-controlling interest	2,258	590		(1,735)	1,113
Total equity	**Total equity**	**14,172**	**2,458**		**(7,693)**	**8,937**
Total liabilities and equity	**Total liabilities and equity**	**111,139**	**1,930**	**(20)**	**281**	**113,330**

The line 'Life/Non-Life insurance liabilities' above includes an amount of contractual service margin (CSM) of EUR 3,321 million.

Sections A. and B. below highlight the changes from the adoption of IFRS 9 and IFRS 17 and the transition impacts pertaining to Ageas SA/NV and its subsidiaries. Section C. below summarises the transition impacts from equity accounted associates and joint ventures.

A. Changes brought by and transition impact of IFRS 9 pertaining to Ageas SA/NV and its subsidiaries

IFRS 9 is a comprehensive new accounting standard for financial instruments, covering the (de)recognition, classification and measurement of financial instruments, new requirements on impairments of financial assets and guidance on hedge accounting.

The IASB issued IFRS 9 ‘Financial instruments’ in July 2014 and the EU endorsed IFRS 9 in November 2016. IFRS 9 replaced IAS 39 ‘Financial instruments – recognition and measurement’ for reporting periods starting on 1 January 2018 or later.

However, Ageas continued to apply IAS 39 in the reporting periods 2018 until 2022 because it was permitted to do so by amendments to IFRS 4 ‘Extension of the temporary exemption from applying IFRS 9’, which have been published by the IASB in June 2020 and were endorsed by the EU in December 2020.

A.1 Classification and measurement of financial assets

Under IAS 39, Ageas classified financial assets at their acquisition date as ‘held-to-maturity’, ‘loans and receivables’, ‘available-for-sale’, ‘held-for-trading’ or as financial assets designated at fair value through profit or loss. The measurement of financial assets followed their classification.

The classification and measurement categories under IAS 39 have been replaced under IFRS 9 by three principal measurement bases (i.e. amortised cost, fair value through other comprehensive income and fair value through profit or loss). At the transition date, Ageas reclassified all financial assets to their new classification category under IFRS 9, using reasonably available information at that date. Ageas applied the classification categories under IFRS 9 retrospectively, as if the financial assets had always been measured as such since their initial recognition.

Debt instruments

Under IFRS 9, Ageas classifies debt instruments and cash and cash equivalents based on their contractual cash flow characteristics and on the business model in which the financial asset is managed.

The largest part of the investments of Ageas SA/NV and its subsidiaries in debt instruments has contractual cash flows that consist solely of payments of principal and interest on the principal amount outstanding (SPPI-test).

Using reasonably available information at the transition date, Ageas SA/NV and its subsidiaries determined that the largest part of their investments in debt instruments that pass the SPPI-test are managed within the ‘hold to collect and sell’ business model. Consequently, those debt instruments are measured at fair value through other comprehensive income (FVOCI). This business model includes:

- Most of their investments in government and corporate debt instruments that were classified as ‘available-for-sale’ under IAS 39. Except for the remeasurement of the loss allowance for expected credit losses (see below), there was no impact on transition for those debt instruments.
- Most of their investments in loans, government bonds and other debt instruments that were classified as ‘held-to-maturity’ or as ‘loans and receivables’ and measured at amortised cost (AC) under IAS 39. For those investments, Ageas SA/NV and its subsidiaries recognised at the transition date their cumulative fair value changes since their initial recognition in other comprehensive income (OCI) and remeasured the loss allowance for expected credit losses (see below). At the transition date, Ageas reclassified EUR 4,351 million of government bonds (mainly Belgian and Portuguese government bonds), and EUR 12,187 million of loans from an AC measurement under IAS 39 to a FVOCI measurement under IFRS 9, resulting in a revaluation of EUR 3,026 million (before tax) through OCI.

Ageas SA/NV and its subsidiaries continue to measure some untransferable loans at AC. Those loans were classified as ‘loans and receivables’ under IAS 39. At the transition date, Ageas SA/NV and its subsidiaries assessed that those untransferable loans pass the SPPI-test and that they are managed within the ‘hold to collect’ business model.

Some investments in debt instruments, mainly investments in unquoted investment funds or exchange traded funds, do not pass the SPPI-test under IFRS 9. At the transition date, Ageas SA/NV and its subsidiaries mandatorily reclassified and remeasured those investments at fair value through profit or loss (FVTPL), while those investments were measured at AC or at FVOCI under IAS 39.

At the transition date, Ageas SA/NV and its subsidiaries decided to designate as measured at FVTPL financial assets that cover unit-linked contracts, because such designation reduces measurement or recognition inconsistencies ('accounting mismatch') with the measurement of the corresponding insurance or investment contract liabilities.

Under IAS 39, Ageas SA/NV and its subsidiaries recognised policyholder loans as financial assets. In line with the requirements in IFRS 17, Ageas SA/NV and its subsidiaries included the policyholder loans in the measurement of the insurance contract liabilities (see below) at the transition date.

Equity instruments
Under IFRS 9, investments in equity instruments are always measured at fair value. Under IAS 39, Ageas SA/NV and its subsidiaries classified the largest part of their investments in equity instruments as 'available-for-sale' and consequently measured those investments at FVOCI.

At the transition date, Ageas SA/NV and its subsidiaries decided to continue to measure the largest part of their investments in equity instruments at FVOCI, by applying the irrevocable election in IFRS 9 to present subsequent changes in their fair value in OCI (rather than in the income statement). On the date of derecognition of an investment in equity instruments, for which Ageas SA/NV and its subsidiaries have elected to present subsequent changes in their fair value in OCI, Ageas SA/NV and its subsidiaries reclassify the unrealised gains or losses, that were previously recognised in OCI, to retained earnings.

The remaining part of their investments in equity instruments, including amongst other equity instruments that cover unit-linked contracts, are measured at FVTPL.

Loss allowance for expected credit losses
Under IAS 39, Ageas recognised impairments of financial assets using the 'incurred loss' model. Ageas considered a financial asset (or group of financial assets) classified as either 'available-for-sale', 'loans and receivables' or 'held-to-maturity' to be impaired if there was objective evidence of impairment as a result of one or more loss events or triggers that had occurred after initial recognition of the financial asset and if the loss event (or events) had an impact on the estimated future cash flows of the financial asset (or group of financial assets) that could be reliably measured.

For investments in equity instruments, Ageas considered that there was objective evidence of impairment if the fair value of the equity instrument decreased significantly (i.e. 25%) below its carrying value or when the fair value of the equity instrument had been below its carrying value for a prolonged period (i.e. 365 consecutive days) on the date of the statement of financial position.

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward looking 'expected credit loss' (ECL) model. The new ECL model applies to investments in debt instruments that are measured at AC or at FVOCI, to lease receivables, trade receivables and contract assets. Investments in equity instruments are out of scope of the ECL model.

For investments in debt instruments for which the credit risk has not increased significantly since their initial recognition (i.e. classified in Stage 1), IFRS 9 requires an entity to recognise a loss allowance at an amount equal to 12-month ECL. For investments in debt instruments for which the credit risk has increased significantly since their initial recognition (i.e. classified in Stage 2) or for investments in debt instruments that are in default, for example because of material arrears in contractual payments (i.e. classified in Stage 3), a loss allowance at an amount equal to lifetime ECL shall be recognised. At Ageas, the ECL is estimated on a line-by-line basis and the probabilities of defaults (PD) and loss given defaults (LGD) used take into account the current and expected point in the credit/economic cycle.

At the transition date, Ageas used reasonable and supportable information to determine the credit risk of a debt instrument at the date of its initial recognition. For debt instruments that had a low credit risk on 1 January 2022, Ageas concluded that there has been no significant increase in credit risk since initial recognition (i.e. classified in Stage 1).

Within Ageas SA/NV and its subsidiaries, the adoption of the ECL model resulted in the recognition of a loss allowance for ECL on their investments in debt instruments that is marginally higher than the amount of impairments that those entities recognised under IAS 39 for the same instruments. This follows from the fact that the majority of their investments in debt instruments are 'investment grade' (i.e. having a credit risk rating of Baa3 or BBB- or above) and are consequently not characterised by a significant increase in credit risk since their initial recognition date (i.e. classified in Stage 1). For those investments, Ageas SA/NV and its subsidiaries recognised a loss allowance at an amount equal to 12-month ECL.

The table below reconciles the impairments recognised under IAS 39 on the transition date with the loss allowance for ECL recognised under IFRS 9.

		31 December 2021	Reclassifications					1 January 2022
IAS39 as previously reported	**IFRS 9 restated**	Impairment amount IAS39	Reclassified from AC to FVOCI	Reclassified from AC to FVTPL	Reclassified from FVOCI to FVTPL	No reclassifications	Remeasurement	Impairment amount IFRS 9
Cash and cash equivalents	**Cash and cash equivalents**							
Financial investments	**Financial investments**	**355**			**(170)**		**(114)**	**71**
- Held to maturity (AC)	- AC							
- Available for sale	- FVOCI	327			(170)		(120)	37
- *Debt securities*	- *Debt securities*	*20*					*17*	*37*
- *Equity securities*	- *Equity securities*	*306*			*(170)*		*(136)*	
- Loans (AC)	- Loans AC	28	(28)				2	2
	- Loans FVOCI		28				4	32
Trade & other receivables	**Trade & other receivables**	**52**					**(8)**	**44**
Total impairment allowances		**407**			**(170)**		**(122)**	**115**

A.2 Classification and measurement of financial liabilities

Ageas did not reclassify any financial liability following the adoption of IFRS 9.

A.3 Hedge accounting

Ageas now applies the requirements in IFRS 9 on hedge accounting.

At the transition date, this resulted into the designation as a fair value hedge of existing hedging relationships related to forward sales of investments in equity instruments that were designated as a cash flow hedge under IAS 39. This had no impact on the carrying amounts recognised in the statement of financial position and in OCI; the unrealised results on the hedging instruments and the hedged items remain recognised in OCI. The adoption of the hedge accounting requirements under IFRS 9 had no impact on the other ongoing hedging relationships.

B. Changes brought by and transition impact of IFRS 17 pertaining to Ageas SA/NV and its subsidiaries

IFRS 17 is a comprehensive new accounting standard for insurance contracts, reinsurance contracts and investment contracts with discretionary participation features, covering the recognition, measurement, presentation and disclosure of new and in-force groups of contracts. IFRS 17 replaces IFRS 4 ‘Insurance contracts’ for reporting periods starting on 1 January 2023 or later.

The IASB issued IFRS 17 ‘Insurance contracts’ in May 2017 and amended IFRS 17 in June 2020. The EU endorsed IFRS 17, including the June 2020 amendments, in November 2021. This endorsement includes an (optional) European carve-out of the annual cohort requirements in IFRS 17 for groups of insurance contracts with direct participation features and groups of investment contracts with discretionary participation features and with cash flows that affect or are affected by cash flows to policyholders of other contracts. Ageas SA/NV and its subsidiaries apply this carve-out for a limited set of insurance contracts with direct participation features, to align with local market practice.

B.1 Changes to the classification, measurement and presentation of insurance contracts

Under IFRS 4, Ageas was permitted to account for insurance contracts, reinsurance contracts and investment contracts with and without discretionary participation features using its local generally accepted accounting principles (GAAP). A liability adequacy test (LAT-test) was performed at each reporting period to ensure that the reported insurance liabilities were adequate.

Under IFRS 4, Ageas reported the following line items in its income statement:

- Premium income;
- Insurance claims and benefits; and
- Changes in liabilities arising from insurance and investment contracts.

IFRS 17 establishes new principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features.

All references below to 'insurance contracts' or 'contracts' equally apply to reinsurance contracts (both reinsurance contracts held and reinsurance contracts issued) and investment contracts with discretionary participation features, unless specifically stated otherwise.

For presentation and measurement purposes, contracts are divided into portfolios, annual cohorts and groups of contracts.

A group of contracts is measured based on the sum of (except for the liability for remaining coverage of groups of contracts measured applying the Premium Allocation Approach):
- The present value of their estimated future cash flows;
- An explicit risk adjustment for non-financial risk; and
- The amount of unearned profit in the group of contracts (i.e. the contractual service margin – CSM), unless the group of contracts is onerous.

The liability for remaining coverage of a group of contracts measured applying the Premium Allocation Approach is based on the premiums received minus the amount recognised as insurance revenue for services provided in that period.

In the statement of financial position, the carrying amounts of following portfolios of contracts are presented separately:
- Insurance contracts issued that are assets;
- Insurance contracts issued that are liabilities;
- Reinsurance contracts held that are assets; and
- Reinsurance contracts held that are liabilities.

In the income statement, insurance revenue, insurance service expense, insurance finance income or expenses and income or expenses from reinsurance contracts held are presented separately. Profit from a group of contracts is recognised over each reporting period in which Ageas provides insurance contract services and as Ageas is released from the underlying risk. If a group of contracts is (expected to be) onerous (i.e. loss making), the loss is recognised immediately in the income statement. Investment components are no longer included in insurance revenue and insurance service expenses.

B.2 Changes to the classification and measurement of investment property

With the adoption of IFRS 17, Ageas changed the way it measures investment property that is backing liabilities that pay a return linked directly to the fair value of, or returns from, specified assets including that investment property. Previously, Ageas measured such investment property at cost less accumulated depreciation. Following an amendment to IAS 40 'Investment property', such investment property is now initially measured at cost and subsequently measured at fair value, with changes in fair value recognised in the income statement. As such, Ageas reduces measurement or recognition inconsistencies ('accounting mismatch') with the measurement of the corresponding insurance or investment contract liabilities.

B.3 Impact at transition pertaining to Ageas SA/NV and its subsidiaries

At the transition date, Ageas identified, measured and recognised each group of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features retrospectively, as if the requirements of IFRS 17 applied to those groups of contracts since their initial recognition (i.e. the 'full retrospective approach'), unless impracticable. This included the identification, measurement and recognition of any (asset for) insurance acquisition cash flows. At the transition date, a recoverability assessment was performed on the (asset for) insurance acquisition cash flows. No recoverability assessment was performed before that date.

Existing balances, that would not exist had IFRS 17 always been applied, were derecognised at the transition date. For Ageas SA/NV and its subsidiaries, these included deferred acquisition costs that were recognised under IFRS 4 (EUR 418 million), intangible assets related to insurance contracts (previously referred to as 'value of business acquired') (EUR 33 million), (re)insurance receivables and payables etc. that are attributable to existing contracts. Under IFRS 17, these amounts are included in the measurement of the (re)insurance contract liabilities. Any resulting net difference was recognised in equity.

In some situations, Ageas was not able to measure a group of contracts fully retrospectively at the transition date. This was the case where:
- The information in the existing reporting systems of Ageas about historical cash flows was based on assumptions that were developed using hindsight;
- Some reasonable and supportable information about historical cash flows was not available in the existing reporting systems of Ageas, or was only available at a higher or at different levels of aggregation than the requirements on grouping of contracts under IFRS 17;
- The information in the existing reporting systems of Ageas did not permit to appropriately estimate the movement of the CSM before the transition date. These movements have an impact on the CSM at the transition date.

In these instances, Ageas measured those groups of contracts at the transition date applying the 'modified retrospective approach' or applying the 'fair value approach' (see below). The objective of those alternative measurement approaches at transition was to achieve the closest outcome possible to the full retrospective approach, using reasonable and supportable information that was available without undue cost or effort at the transition date.

The transition approaches used by Ageas SA/NV and its subsidiaries can be summarised as follows:

Business	LRC / LIC	IFRS 17 measurement approach	Year of issue	IFRS 17 transition approach
Life & similar-to-Life	Liability for remaining coverage	General Measurement Model	2018 – 2021	Full retrospective approach
			Prior to 2018	Modified retrospective approach or fair value approach
	Liability for remaining coverage	Variable Fee Approach	All years	Modified retrospective approach
Non-life & similar-to-Non-Life	Liability for remaining coverage	Premium Allocation Approach	All years	Full retrospective approach
	Liability for incurred claims	General Measurement Model	2016 – 2021	Full retrospective approach
			Prior to 2016	Modified retrospective approach

The applicable approach at transition affected the calculation of the CSM of a group of contracts at the transition date:

- Full retrospective approach: the CSM at inception of the group of contracts was calculated using the assumptions at the date the group of contracts was initially recognised by Ageas and was rolled forward to the transition date to IFRS 17, as if Ageas had always applied IFRS 17;
- Modified retrospective approach: the CSM at inception of the group of contracts was calculated using simplifications in the assumptions, but considering the pre-transition fulfilment cash flows (see below);
- Fair value approach: any pre-transition cash flows and experience was not considered. The group of contracts (including CSM) was measured applying IFRS 13 'Fair value measurement' at the transition date (see below).

Modified retrospective approach

Ageas SA/NV and its subsidiaries applied the modified retrospective approach to measure:

- The liability for remaining coverage of groups of insurance contracts with direct participation features; and
- The liability for incurred claims for groups of insurance contracts in their Non-Life business for accident years prior to 2016.

Different groupings were applied for contracts that were issued more than one year apart, depending on the availability of the relevant discount rates. If these discount rates were available for the different years, the relevant locked-in rates of those different years have been applied. Otherwise, all contracts were grouped into one group and the relevant locked-in rate at the transition date has been applied. This resulted in different discount rates used at the transition date, differences in future accretion rates and differences in the amounts recognised in OCI (as a result of Ageas' election to disaggregate insurance finance income or expenses between amounts presented in the income statement and amounts presented in OCI – see below).

Ageas SA/NV and its subsidiaries used the following procedure to estimate the CSM at the initial recognition date of those groups of contracts:

- Ageas SA/NV and its subsidiaries estimated future cash flows at the date of initial recognition of the group of contracts as the amount of future cash flows at the transition date, adjusted by the actual cash flows that have occurred between the date of initial recognition and the transition date;
- A similar approach was applied to the estimates of the risk adjustment for non-financial risk, which were determined at the transition date and were adjusted for the expected release of risk before the transition date. In estimating the release of risk, reference was made to the release of risk for similar contracts.

The CSM at the transition date was determined by reducing the CSM on initial recognition for allocations to the income statement for services provided before the transition date, this by comparing the remaining number of coverage units (i.e. the quantity of insurance contract services provided) at the transition date with the number of coverage units provided under the group of contracts before the transition date. Where the calculated CSM resulted in a loss component, Ageas SA/NV and its subsidiaries adjusted the loss component to nil and increased the liability for remaining coverage excluding loss component by the same amount.

Ageas SA/NV and its subsidiaries have elected to disaggregate insurance finance income or expenses between amounts presented in the income statement and amounts presented in OCI. The cumulative amount of insurance finance income or expenses recognised in OCI at the transition date was set equal to the cumulative amount in OCI for the underlying assets.

Fair value approach

Ageas SA/NV and its subsidiaries applied the fair value approach to measure the liability for remaining coverage of most of the groups of contracts in their Life business that were issued prior to 2018. Applying the fair value approach, Ageas determined the CSM at the transition date as the difference between the fair value of the group of contracts and the fulfilment cash flows measured according to IFRS 17 at that date. In determining the fair value of the group of contracts, Ageas applied the requirements in IFRS 13 'Fair value measurement'.

The fair value of an insurance liability is the price that a market participant would be willing to receive at the transition date to assume the obligation and the remaining risk of the in-force insurance contracts at that date. Where available, recent market transactions were used to estimate the fair value of groups of insurance contracts. In absence of recent market transactions for similar insurance contracts, Ageas measured the fair value of a group of insurance contracts as the sum of:

- The present value of the net cash flows expected to be generated by the insurance contracts, determined using a discounted cash flow technique; and
- An additional margin.

In determining the fair value of a group of insurance contracts, Ageas used the following considerations:

- Only future cash flows within the boundaries of the group of insurance contracts were considered, excluding future renewals and new business that would be outside the contract boundary under IFRS 17;
- Assumptions about expected future cash flows and risk allowances were adjusted for the market participant's view, as required by IFRS 13;
- Discount rates used in measuring the fulfilment cash flows were increased to reflect the risk of non-performance by Ageas; and
- Profit margins were included to reflect what a market participant would require for accepting obligations under the group of insurance contracts, beyond the risk adjustment for non-financial risk.

Ageas SA/NV and its subsidiaries have elected to disaggregate insurance finance income or expenses between amounts presented in the income statement and amounts presented in OCI. The fair value approach permits to make a retrospective calculation for the determination of the cumulative amounts for insurance finance income or expenses to be recognised in OCI at transition for the related insurance contract assets and insurance contract liabilities, but only if Ageas SA/NV and its subsidiaries had reasonable and supportable information to do so. In determining the amount of insurance finance income or expenses to be recognised in OCI, Ageas SA/NV and its subsidiaries split the fair value of a group of insurance contracts in an amortised cost amount and in unrealised capital gains or losses.

Applying the fair value approach, Ageas SA/NV and its subsidiaries grouped contracts from multiple annual cohorts into a single unit for measurement purposes, because its existing reporting systems did not have reasonable and supportable information to aggregate insurance contracts in groups including only insurance contracts issued within one year.

Aggregation of contracts in groups of expected profitability was assessed at the transition date. For this assessment, Ageas SA/NV and its subsidiaries estimated the fulfilment cash flows at the transition date. To aggregate non-onerous contracts into groups of contracts that had no significant possibility to become onerous subsequently, or groups of remaining contracts, Ageas SA/NV and its subsidiaries assessed prospectively the likelihood of changes in insurance, financial and other exposures, and their impact, on the fulfilment cash flows as at the transition date.

Furthermore, Ageas SA/NV and its subsidiaries applied the following in measuring groups of contracts at transition using the fair value approach:

- The applicable discount rates at the dates of initial recognition of the groups of contracts were determined at the transition date;
- The fulfilment cash flows were estimated prospectively as at the transition date;
- Ageas SA/NV and its subsidiaries did not recognise any insurance acquisition cash flow assets at the transition date.

C. Transition impacts of IFRS 9 and IFRS 17 on the carrying amounts of the equity accounted associates and joint ventures

All material associates and joint ventures initially applied IFRS 9 and IFRS 17 as from 1 January 2023. Comparative information (including the carrying amounts of these associates and joint ventures at the transition date) for 2022 was restated. Some other associates and joint ventures have not yet implemented IFRS 9 and IFRS 17. Ageas assessed that the aggregate impact thereof is not material to its consolidated financial statements. For these associates and joint ventures, Ageas will apply IFRS 9 and IFRS 17 as and when their financial statements under these standards will become available.

In applying IFRS 9 and IFRS 17, an entity takes various accounting policy choices. Some of these choices apply on a transaction-by-transaction basis (IFRS 9) or on the level of a group or a portfolio of contracts (IFRS 17), while others apply at entity level (i.e. Ageas consolidated level). The associates and joint ventures apply accounting policies at entity level consistently to those applied by Ageas and, where this is not the case, adjustments are made in the consolidated financial statements (if material).

IFRS 9 'Financial instruments'

Adopting IFRS 9, some associates and joint ventures continue to measure an important part of their investments in debt instruments at AC. Under IAS 39, those investments in debt instruments were classified as 'held-to-maturity'. Under IFRS 9, those investments in debt instruments pass the SPPI-test and are managed within the 'hold to collect' business model.

To align with local market practice or regulatory regimes, some associates and joint ventures measured an important part of their investments in equity instruments at FVTPL under IAS 39. Those entities will continue to measure their investments in equity instruments at FVTPL under IFRS 9 and will not apply the irrevocable election in IFRS 9 to present subsequent changes in fair value in OCI.

In determining the loss allowance for ECL, the associates and joint ventures use thresholds that are based on the characteristics of the financial assets in their asset portfolio and on the historical default patterns for comparable financial assets, to determine the Stage in which a financial asset is classified.

IFRS 17 'Insurance contracts'
Several associates and joint ventures issue insurance contracts with direct participation features, which under IFRS 17 are mandatorily measured applying the Variable Fee Approach.

In general, the associates and joint ventures measure eligible groups of short-term (i.e. the coverage period is one year or less) insurance contracts in their Non-Life business and reinsurance contracts held applying the Premium Allocation Approach, unless they are of the opinion that it is more appropriate to measure those groups of insurance contracts applying the General Measurement Model. For groups of insurance contracts that are measured applying the Premium Allocation Approach, in contrast to the accounting policies applied by Ageas SA/NV and its subsidiaries, some associates and joint ventures do not expense insurance acquisition costs as incurred and/or do not discount the cash flows of the liability for incurred claims that are expected to be paid in one year or less. These differences in accounting policies have no material impact on the consolidated financial statements of Ageas.

In determining the risk adjustment for non-financial risk, some associates and joint ventures apply a different confidence level than the 75th percentile target confidence level used by Ageas SA/NV and its subsidiaries, to reflect their local degree of risk aversion, emerging risks, diversification, or to align with local market practice or regulatory regimes.

Some associates and joint ventures decided not to disaggregate insurance finance income or expenses between the income statement and OCI for a part of their portfolios of (re)insurance contracts.

Like Ageas SA/NV and its subsidiaries, the associates and joint ventures identified, recognised and measured each group of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features retrospectively at the transition date, as if they had always applied IFRS 17, unless impracticable. Where an associate or joint venture was not able to apply the full retrospective approach, it applied the modified retrospective approach or the fair value approach at transition, depending on the information about historical cash flows available in its existing reporting systems.

2.1.2. Other current-year changes in IFRS standards
In addition to IFRS 9 and IFRS 17, following new or revised IFRS standards, interpretations, and amendments to IFRS standards and interpretations became effective for reporting periods starting on 1 January 2023. None of those changes had a significant impact on the present consolidated statement of financial position and income statement of Ageas:

A. Material accounting policy information

Ageas adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant' accounting policies. However, in this Annual Report, Ageas continued to disclose significant accounting policies on IFRS 17 and IFRS 9 as it is the first year that these standards have been implemented.

B. Amendments to IAS 12 'Income taxes' on 'International tax reform – Pillar Two model rules' (not yet endorsed by the EU).

To address concerns about uneven profit distribution and tax contributions of large multinational corporations, various agreements have been reached at the global level, including an agreement by over 135 jurisdictions to introduce a global minimum tax rate of 15%. In December 2021, the Organisation for Economic Co-operation and Development (OECD) released a draft legislative framework, followed by a detailed commentary released in March 2022, and administrative guidance in February and July 2023, that is expected to be used by individual jurisdictions that signed the agreement to amend their local tax laws. Once changes to the tax laws in any jurisdiction in which the Group operates are enacted of substantively enacted, the Group may be subject to the top-up tax.

In compliance with the IAS12 Amendments published in May 2023, the Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred. The Group operates in various jurisdictions which have enacted new legislation to implement the global minimum top-up tax per 31 December 2023. Management has been working together with its advisers (based on the Transitional Safe Harbour rules as well as the full set of Global Minimum Tax rules) to assess if and to which extent the group would be subject to Top-Up Tax in any of its operational jurisdictions. The analyses performed to date indicate that the group is unlikely to bear material top-up tax amounts in relation to its operations in any of these jurisdictions. The Group continues to work on these assessments, to further finetune and update these initial findings.

- As the newly enacted legislations are only effective as from 1 January 2024, there is no current tax impact for the year ended 31 December 2023.
- If the top-up tax had applied in 2023, then, under the applicable rules, the group expects only limited amounts of minimum top-up tax could potentially be due for some of these jurisdictions (subject to further assessment)

C. Other amendments

- Amendments to IAS 8 'Accounting policies, changes in accounting estimates and errors' on 'Definition of accounting estimates';
- Amendments to IAS 12 'Income taxes' on 'Deferred tax related to assets and liabilities arising from a single transaction'.

2.2 Upcoming changes in IFRS standards

The following new or revised IFRS standards, interpretations and amendments to IFRS standards and interpretations will become effective for reporting periods starting on 1 January 2024 or later:

- Amendments to IAS 1 'Presentation of financial statements' on:
  - 'Classification of liabilities as current or non-current'; and
  - 'Non-current liabilities with covenants'.
- Amendments to IFRS 16 'Leases' on 'Lease liability in a sale and leaseback'.
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' on 'Lack of Exchangeability'.

Ageas does not expect that any of those changes will have a significant impact on its consolidated statement of financial position and income statement.

Ageas has not early adopted any IFRS standard, interpretation or amendment that has been issued but that is not yet effective or has not yet been endorsed by the EU.

3. Significant judgements, estimates and assumptions

In preparing these consolidated financial statements, Ageas has made certain judgements, estimates and assumptions, which are reflected in the reported amounts of assets and liabilities, revenues and expenses and in the amounts reported in the notes to these consolidated financial statements. The judgements, estimates and assumptions used are based on experience and on supportable information that is reasonably available at the time these consolidated financial statements are prepared. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Each judgement, estimate and assumption carries by its nature some degree of uncertainty and a risk of material adjustment (positive or negative) to the carrying amounts of assets and liabilities during (a) future reporting period(s).

The significant judgements, estimates and assumptions used are:

Acquisition and consolidation of a subsidiary

- Determining whether Ageas controls an investee
- Fair value of the consideration transferred (including contingent consideration)
- Identifying and measuring separately identifiable assets acquired and liabilities assumed

Equity accounted investments

- Determining whether Ageas has a significant influence over an investee

Disposal groups

- Determining the fair value less costs to sell of the disposal group based on significant unobservable inputs

Hyperinflationary economies

- Application of the requirements for hyperinflationary economies and assessing the selection of a general price index

Financial instruments

- Determination of fair value:
  - Assessment if there is an active market
  - The valuation model used
  - The assumptions used
  - The non-market observable inputs used (if applicable)
- Assessing the business model for managing debt instruments
- Assessing the contractual cash flow characteristics (SPPI-test)
- Measurement of the loss allowance for expected credit losses:
  - Criteria for classification in 'Stages' and criteria for determining whether there is a significant increase in credit risk since initial recognition
  - Choosing the appropriate models and determining the inputs in the model, including key assumptions used in estimating recoverable cash flows and incorporating forward-looking information

Property, investment property and equipment
- Determining the useful life and residual value
- Measurement of fair value based on significant unobservable inputs

Leases
- Determination of the incremental borrowing rate

(Re)insurance contract assets and liabilities
- Assessing if the contract transfers significant insurance risk or whether the contract meets the definition of an investment contract with discretionary participation features
- Assessing if a contract contains direct participation features
- Level of aggregation: identifying portfolios and groups of contracts
- Determination of the contract boundaries
- For contracts measured applying the General Measurement Model, the approach used to distinguish changes of future cash flows arising from the effect of discretion from other changes
- Actuarial assumptions used (relating to mortality, morbidity, longevity, lapse and surrender rates, claims development, crediting rates, discount rates including illiquidity premiums, …) in determining the best estimate
- Assessing the directly attributable cash flows
- Techniques for determination and level of the risk adjustment for non-financial risk
- Identification of any investment components
- Determination of coverage units, representing the expected quantity of insurance contract services, for (future) release of the contractual service margin

Impairment of non-financial assets and goodwill
- Key assumptions underlying recoverable amounts

Other intangible assets
- Determination of the useful life and residual value

Deferred tax assets
- Amount and timing of future taxable income against which deductible temporary differences and tax losses carried forward can be used

Pension obligations
- The actuarial assumptions used to measure defined benefit obligations

Provisions
- The assumptions regarding the likelihood and magnitude of an outflow of resources

The notes to these consolidated financial statements provide a description of the application of these judgements, estimates and assumptions and their effect on the reported figures. Note 'Risk Management' of these consolidated financial statements describes the way Ageas mitigates the various risks of its insurance operations.

4. Events after the date of statement of financial position

Events after the date of financial position are those events, favourable and unfavourable, that occur between the date of the statement of financial position and the date when these consolidated financial statements are authorised for issue by the Board of Ageas.

Two types of events can be identified:
- Events that provide evidence of conditions that existed at the date of the statement of financial position, that result in an adjustment of the amounts recognised in these consolidated financial statements; and
- Events that are indicative of conditions that arose after the date of the statement of financial position, that do not result in an adjustment of the amounts recognised in these consolidated financial statements, but for which the nature and an estimate of their financial effect, or a statement that such an estimate cannot be made, are disclosed.

An overview of events after the reporting period is included in note 36 'Events after the date of the statement of financial position' of these consolidated financial statements.

5. Information on operating segments

The reportable operating segments of Ageas are primarily based on geographical regions. The regional split is based on the fact that the activities in these regions share the same nature and economic characteristics and are managed as such.

The operating segments of Ageas are:
- Belgium;
- Europe (excluding Belgium);
- Asia;
- Reinsurance; and
- General account.

Activities not related to insurance and group eliminations are reported separately from the core insurance activities, in the operating segment 'General account', that also includes items such as group financing and other holding activities, as well as the investment in Royal Park Investments and the liabilities related to CASHES/RPN(I).

Transactions or transfers between the operating segments occur under normal commercial terms and conditions that would be available to unrelated third parties. Group eliminations are reported separately.

6. Consolidation principles

These consolidated financial statements include the financial statements of Ageas SA/NV (the parent company) and its subsidiaries.

A. Business combinations

When a set of acquired activities and assets meets the definition of a business and control is transferred to Ageas, Ageas accounts for a business combination using the acquisition method. For the acquisition to be considered a business, the acquired set of activities and assets shall include an input and a substantive process applied to the input, that together significantly contribute to the ability to create outputs. The acquired process (or group of processes) is substantive if it is critical to the ability to develop or convert an acquired input into output or if it is critical to the ability to continue producing outputs.

The cost of an acquisition is measured as the aggregate of the consideration transferred, measured as the sum of the fair value at acquisition date and the amount of any non-controlling interest in the acquiree. For each business combination, Ageas has an option to measure any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

If the business combination is achieved in stages, the previously held equity interest in the acquiree is remeasured at fair value at the acquisition date and any resulting gain or loss is recognised in the income statement.

B. Subsidiaries

Subsidiaries are those entities over which Ageas, either directly or indirectly, has the power to govern the financial and operating policies to obtain benefits from the activities ('control'). In assessing whether Ageas controls another entity, the existence and effect of potential voting rights that are substantive in nature, presently exercisable or presently convertible, are considered.

Subsidiaries are consolidated as of the date on which effective control is transferred to Ageas and are no longer consolidated from the date on which control ceases.

Subsidiaries acquired exclusively with a view to resale are classified and accounted for as non-current assets held for sale.

Intercompany transactions (balances and gains or losses on transactions between the parent company and a subsidiary or between different subsidiaries) are eliminated.

C. Sale of a portion of ownership interest in a subsidiary

Gains or losses on the sale of a portion of ownership interest in a subsidiary are recognised as follows:

- If there is no loss of control, the transaction is accounted for as an equity transaction (i.e. transaction with owners in their capacity as owner); or
- If there is a loss of control, the transaction is accounted for in the income statement, calculated on the total participation. Any interest retained in the former subsidiary is measured at fair value at the time of loss of control. However, if the loss of control results from a non-monetary contribution of a subsidiary to an associate or joint venture, the gain or loss is recognised only to the extent of the portion of ownership interest that has been transferred to other investors, resulting in a partial gain recognition.

D. Associates and joint ventures

Associates are investments in those entities over which Ageas has a significant influence, i.e. power to participate in the financial and operating policy decisions of the investee, but over which it is not in control or joint control.

Investments in associates are accounted for using the equity method. On initial recognition, the investment is recognised at cost, which includes transaction costs. Subsequently, the investment is adjusted for Ageas' share of the investee's profit or loss (which is recognised in the consolidated income statement under the line 'Share in the results of equity-accounted investments'). Distributions received from associates reduce the carrying amount of the investment. Adjustments to the carrying amount are also made for Ageas' share in the investee arising from changes in the investee's other comprehensive income (OCI). Ageas' share of those changes is recognised in 'other comprehensive income.'

Interests in joint ventures, whereby joint control of an arrangement provides Ageas rights to the net assets of that joint arrangement, are accounted for using the equity method.

Gains on transactions between Ageas and investments accounted for using the equity method are eliminated to the extent of Ageas' interest. Losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Losses are recognised until the carrying amount of the investment is reduced to zero. Additional losses are only recognised to the extent that Ageas has incurred legal or constructive obligations or made payments on behalf of an associate.

E. Disposal of subsidiaries, businesses and non-current assets

A non-current asset (or disposal group, such as a subsidiary), is classified as 'held for sale' if it is available for immediate sale in its present condition and if its sale is highly probable.

A sale is highly probable if:

- There is evidence of management commitment;
- There is an active programme to locate a buyer and complete the plan;
- The asset is actively marketed for sale at a reasonable price compared to its fair value;
- The sale is expected to be completed within twelve months of the date of classification; and
- Actions required to complete the plan indicate that it is unlikely that there will be significant changes to the plan or that it will be withdrawn.

A non-current asset (or disposal group) classified as held for sale is measured at the lower of its carrying amount and its fair value less costs to sell. Furthermore, following characteristics apply to these assets:

- Measurement at the lower of the carrying amount and fair value less costs to sell does not apply to assets that are exempt from this rule, such as (re)insurance contract liabilities within the scope of IFRS 17 ‘Insurance contracts’, financial assets within the scope of IFRS 9 ‘Financial instruments’, deferred tax assets within the scope of IAS 12 ‘Income taxes’ and assets arising from employee benefits within the scope of IAS 19 ‘Employee benefits’;
- Current assets and all liabilities are measured applying the applicable IFRS standard;
- They are not depreciated or amortised; and
- They are presented separately in the statement of financial position, without offsetting of assets and liabilities.

The date of disposal of a subsidiary or disposal group is the date on which control passes.

The consolidated income statement includes the results of a subsidiary or disposal group up to the date of disposal. The gain or loss on disposal is the difference between:

- The proceeds of the sale; and
- The carrying amount of the net assets plus any attributable goodwill and amounts accumulated in OCI (for example, foreign translation adjustments).

A discontinued operation is a part of Ageas that has been disposed of or is classified as held for sale and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Results on discontinued operations are presented separately in the consolidated income statement.

7. Foreign currency transactions and balances

Individual entities of Ageas account for foreign currency transactions using the exchange rate at the date of the transaction.

At the end of a reporting period, outstanding balances in foreign currencies of monetary items (such as groups of (re)insurance contracts) are translated at the exchange rate prevailing at the date of the statement of financial position. To determine foreign exchange gains and losses on a monetary item that is measured at fair value through other comprehensive income (FVOCI), the item is treated as an item measured at amortised cost in the foreign currency. Exchange differences on the amortised cost are recognised in the income statement and other changes in the carrying amount are recognised in other comprehensive income (OCI).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is measured. The resulting exchange gains or losses are recognised in the income statement as foreign currency translation differences, except for those non-monetary items whose fair value change is recognised in OCI.

Foreign currency translation

Upon consolidation, Ageas translates the statement of financial position of foreign entities, whose functional currency is not denominated in euro, and whose economy is not considered hyperinflationary at the reporting date, using the exchange rate prevailing at the date of the statement of financial position. The income statement and cash flow statement of those foreign entities are translated at the average daily exchange rates for the current reporting period (or exceptionally at the exchange rate at the date of the transaction if exchange rates fluctuate significantly).

Ageas recognises exchange differences on foreign entities in OCI. On disposal of a foreign entity, previously recognised exchange differences are recycled and are reclassified from OCI to the income statement as part of the gain or loss on the sale.

Exchange differences arising on monetary items, borrowings and other currency instruments, designated as hedges of a net investment in a foreign operation, are recognised in OCI, until the disposal of the net investment, except for any hedge ineffectiveness that is immediately recognised in the income statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing exchange rate on the date of the statement of financial position. Ageas recognises all resulting exchange differences in OCI until disposal of the foreign entity. At that moment, the previously recognised exchange differences are recycled and are reclassified from OCI to the income statement.

Hyperinflationary economies
In each reporting period, Ageas assesses whether an economy shall be considered as being hyperinflationary, applying the criteria in IAS 29 'Financial reporting in hyperinflationary economies'.

The Türkiye economy is considered to be hyperinflationary since May 2022. IAS 29 requires that the results of the Türkiye associates are reported as if these were highly inflationary as of 1 January 2022.

On 31 December 2023, the three-year cumulative inflation in Türkiye exceeds 100% (268%), based on the consumer price index as published by the Türkiye Statistical Institute. Consequently, Ageas applies in these consolidated financial statements the requirements in IAS 29 and in IAS 21 to the financial statements of its associates 'Aksigorta' and 'AgeSA'.

Under IAS 29, to calculate its share in the net assets and results of these associates, Ageas adjusts non-monetary assets and liabilities stated at historical cost, equity and items in the income statement for changes in purchasing power, using the consumer price index. In a second step, the re-measured financial statements are translated into euro at the closing exchange rate.

In accordance with IAS 21, corresponding figures for the previous reporting period in these consolidated financial statements are those that were presented as current year amounts in the relevant 2022 financial statements (i.e. not adjusted for subsequent changes in the price level or subsequent changes in exchange rates).

Exchange rates
The following table shows the exchange rates of the most relevant currencies for Ageas.

	Rates at end of period		Average rates	
1 euro =	31 December 2023	31 December 2022	2023	2022
Pound sterling	0.87	0.89	0.87	0.85
US dollar	1.11	1.07	1.08	1.05
Hong Kong dollar	8.63	8.32	8.47	8.24
Turkish lira	32.65	19.96	25.81	17.42
Chinese yuan renminbi	7.85	7.36	7.66	7.08
Indian Rupee	91.90	88.17	89.31	82.68
Malaysian ringgit	5.08	4.70	4.93	4.63
Philippine Peso	61.28	59.32	60.17	57.31
Thai baht	37.97	36.84	37.64	36.85
Vietnamese Dong	26,838	25,182	25,786	24,613

8. Financial assets and financial liabilities

A. Definition of a financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Ageas recognises and measures financial instruments applying the requirements in IFRS 9 'Financial instruments' and in IFRS 13 'Fair value measurement'.

B. Initial recognition and measurement of financial instruments

B.1 Initial recognition of financial instruments
On initial recognition of a financial instrument, Ageas classifies the financial instrument as cash and cash equivalent, debt instrument, equity instrument, financial liability or derivative. Such classification is performed in accordance with the substance of the contractual arrangement – rather than the legal form of the financial instrument – and the definitions on financial liability and equity instrument in IAS 32 'Financial instruments – presentation'. Judgement may be required in determining the appropriate classification.

Ageas initially recognises financial assets and financial liabilities in its statement of financial position when Ageas becomes party to the contractual provisions of the financial instrument.

For purchases or sales of financial assets under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned ('regular-way purchase'), Ageas becomes or ceases to be party to the contractual provisions of the financial asset at the trade date. The trade date is the date on which Ageas commits to purchase or sell the financial asset.

Forward purchases or sales of financial assets, other than those requiring delivery within the time frame established by regulation or convention in the marketplace concerned, are recognised as derivative transactions until settlement.

B.2 Initial measurement of financial instruments

On initial recognition, financial assets and financial liabilities are recognised at their fair value. The fair value on initial recognition generally corresponds to the transaction price. If the fair value differs from the transaction price on initial recognition, Ageas recognises the difference as follows:

- The difference is recognised as a gain or loss when the fair value of the financial instrument is evidenced by a quoted price in an active market for an identical financial instrument (i.e. a Level 1 input), or when the fair value is based on a valuation technique that uses only observable market data (i.e. a Level 2 input).
- In all other cases, the difference is deferred. After initial recognition of the financial instrument, the deferred difference is recognised as a gain or loss only to the extent that it arises from a change in a factor that market participants would consider when pricing the financial instrument. Consequently, it is either amortised over the expected life of the instrument, deferred until the fair value of the instrument can be determined using observable market inputs, or realised at the time of (early) settlement of the underlying instrument.

Transaction costs refer to the incremental costs that are directly attributable to the acquisition, issuance, or disposal of a financial instrument. Transaction costs include, amongst others, fees and commissions paid to agents, advisors, brokers and dealers, levies imposed by regulatory agencies and securities exchanges, transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or custody costs.

Transaction costs are accounted for as follows:

- For financial instruments that are recognised at fair value through profit or loss (FVTPL), transaction costs are immediately expensed in the income statement; and
- For financial instruments that are not recognised at FVTPL, transaction costs are added to or deducted from the amount initially recognised.

For loans that are not recognised at FVTPL, loan origination fees earned in securing a loan are deferred and are amortised over the life of the instrument, as an adjustment of the yield.

For debt instruments that are measured at amortised cost (AC) or at fair value through other comprehensive income (FVOCI), Ageas recognises a loss allowance for expected credit losses (ECL) as from the first reporting date after initial recognition of the financial asset (see section 8 G. below).

C. Classification and subsequent measurement of financial assets

C.1 Classification and subsequent measurement of debt instruments

A debt instrument is a financial instrument that meets the definition of a financial liability from the issuer’s perspective. Examples are loans, government bonds, corporate bonds and funds that are puttable and/or with a predetermined life that do not meet the definition of an equity instrument according to IAS 32 ‘Financial instruments – presentation’. In the statement of financial position of Ageas, funds that do not meet the definition of an equity instrument are referred to as ‘(Un)quoted investment funds & other’.

Ageas does not recognise in its statement of financial position loan commitments, that allow for a drawdown of a loan within the timeframe generally established by regulation or convention in the marketplace.

Classification of debt instruments

On initial recognition, debt instruments are classified into one of the following measurement categories, based on the business model in which they are managed and on their contractual cash flow characteristics:

- Amortised cost (AC). This measurement category applies to debt instruments that are managed in a ‘hold to collect’ business model, for which the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, and that are not irrevocably designated at FVTPL on initial recognition.
- Fair value through other comprehensive income (FVOCI). This measurement category applies to debt instruments that are managed in a ‘hold to collect and sell’ business model, for which the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, and that are not irrevocably designated at FVTPL on initial recognition.
- Fair value through profit or loss (FVTPL). This measurement category applies to debt instruments that are managed in the ‘other’ business model, or for which the contractual cash flows are not solely payments of principal and interest on the principal amount outstanding, or that are irrevocably designated to this measurement category on initial recognition because the management of Ageas assesses that their measurement at FVTPL eliminates or significantly reduces a measurement or recognition inconsistency (‘accounting mismatch’) that would otherwise arise. For example, debt instruments that are designated at FVTPL because they relate to (insurance) contract liabilities that are measured at FVTPL. Those debt instruments are managed and their performance is evaluated and reported on a fair value basis.

Business model for managing debt instruments

The business model reflects how Ageas manages groups of debt instruments together to generate cash flows.

Ageas manages groups of debt instruments under the following business models:

- 'Hold to collect' business model. Ageas uses this business model when it has the objective to manage the debt instrument – or portfolio of debt instruments – to collect the contractual cash flows over the life of the instrument(s). Sales may occur before the maturity date of the debt instrument(s) if the sales are infrequent (even if significant in value), insignificant in value (even if frequent), due to credit risk management activities, imposed by regulatory requirements or if the debt instrument does not longer meet the investment policy of Ageas.
- 'Hold to collect and sell' business model. Ageas uses this business model when it has the objective to manage the debt instrument – or portfolio of debt instruments – to collect both the contractual cash flows and the cash flows arising from selling the instrument(s). Compared to the 'hold to collect' business model, selling instruments is integral to the objective of the 'hold to collect and sell' business model.
- 'Other' business model. Ageas uses this business model for debt instruments that are not managed in one of both business models above. This business model typically includes active selling and buying of debt instruments based on the fair value of the underlying instrument(s).

Ageas determines the applicable business model at a level that reflects how groups of financial assets are managed together to achieve the objective of the business model and for which information about those assets is reported to the management of Ageas. The applicable business models are determined based on an overall assessment including, amongst others, the following:

- All relevant information that is available at the assessment date, for scenarios that are reasonably expected to occur;
- The policies and objectives for managing the group of financial assets and how those are applied in practice;
- Past experience regarding the collection of the (contractual) cash flows, including the frequency, volume and timing of sales, the reasons for such sales and expectations about future sales;
- The way how the performance of the financial assets is evaluated and reported to the management of Ageas;
- The way in which the risks that affect the performance of the business model (and the financial assets in that business model) are managed.

Ageas mainly applies the 'hold to collect and sell' business model. It manages most of the loans, loan funds, government bonds and corporate bonds in its asset portfolio with the objective to match the duration of the financial instruments to the duration of the (insurance) contract liabilities they cover. The 'hold to collect' business model mainly applies to untransferable loans, for which Ageas collects their contractual cash flows. The 'other' business model applies to only a very small part of the debt instruments in the asset portfolio of Ageas.

If subsequently to the initial assessment of the business model, the (contractual) cash flows are realised in a way that is different from Ageas' initial expectations, the classification of the remaining debt instruments managed in that business model is not changed. However, the updated information is used in assessing the applicable business model(s) of newly originated and newly purchased debt instruments.

Changes in an existing business model may occur very exceptionally, as a result of an acquisition, disposal or termination of an activity or business line that is significant for the operations of Ageas and that is demonstrable to external parties. If applicable, a change in business model results in a reclassification of the underlying debt instrument(s) and is accounted for prospectively as from the reclassification date.

Contractual cash flow characteristics of debt instruments

For debt instruments that are managed in the 'hold to collect' business model or the 'hold to collect and sell' business model, Ageas assesses whether the contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is also referred to as the solely payments of principal and interest test (SPPI- test).

For the purpose of the SPPI-test, 'principal' is defined as the fair value of the debt instrument on initial recognition. The principal may change over the life of the instrument, for example when there are repayments of principal or due to amortisation of a premium or discount. 'Interest' is defined as a consideration for the time value of money and the credit risk associated with the principal amount outstanding during a particular period of time and may include a consideration for other basic lending risks and costs such as liquidity risk and administrative costs, as well as a profit margin that is consistent with a basic lending arrangement. Under extreme economic circumstances, interest may be negative.

Ageas performs the SPPI-test considering the contractual terms of the debt instrument, including contractual terms that could change the timing or amount of contractual cash flows. All relevant factors are considered, including, amongst others, the following:

- The currency in which the debt instrument is denominated;
- The period for which the interest rate is set;
- Features that modify the consideration for the time value of money, such as a periodical reset of interest rates;
- Leverage features, which increase the variability of the contractual cash flows;
- Contingent events, prepayment options or extension options, that could change the timing or amount of the contractual cash flows, including potential compensation for early termination or extension;
- Terms that limit Ageas' claim to cash flows from specified assets (e.g. non-recourse loans).

Financial assets including embedded derivatives are considered in their entirety when performing the SPPI-test.

Most of the debt instruments managed by Ageas pass the SPPI-test. Investment funds, that are classified as '(Un)quoted investment funds & other' in the statement of financial position of Ageas, are a typical example of debt instruments for which the contractual cash flows are not solely payments of principal and interest on the principal amount outstanding, except for some SPPI compliant loan funds. Ageas also manages some loans that do not pass the SPPI-test due to their interest characteristics.

Subsequent measurement of debt instruments

The measurement of debt instruments after their initial recognition depends on the applicable measurement category:

- Debt instruments that are classified as measured at AC are subsequently measured at AC, representing the amount at which the debt instrument is measured on initial recognition minus repayments of principal, plus or minus the cumulative amortisation of any premium or discount using the effective interest rate method. The carrying amount of debt instruments measured at AC is adjusted for any loss allowance for ECL.
- Debt instruments that are classified as measured at FVOCI are subsequently measured at fair value. Fair value changes are recognised in other comprehensive income (OCI) under the line item 'Net change in fair value of financial investments measured at FVOCI'.
- Debt instruments that are classified as measured at FVTPL are subsequently measured at fair value. Fair value changes are recognised in the income statement under the line item 'Net gain on derecognition and changes in fair value'.

Interest income on debt instruments is recognised on an accrual basis in the income statement, using the effective interest rate method.

C.2 Classification and subsequent measurement of cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents comprise short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. Examples of cash equivalents are money market funds and money market paper.

Because cash and cash equivalents are held for the purpose of meeting short-term cash commitments, rather than for investment or other purposes, those financial assets have a maturity of three months or less from their date of acquisition.

After initial recognition, cash and cash equivalents are measured at AC. As an exception, Ageas measures the majority of its money market funds at FVTPL because their contractual cash flows are not SPPI compliant.

C.3 Classification and subsequent measurement of equity instruments

An equity instrument is a financial instrument that evidences a residual interest in the issuer's net assets. Ordinary shares are an example of equity instruments.

Investments in open-end or closed-end funds and real estate certificates are generally puttable instruments and/or instruments with a pre-determined life that do not meet the definition of equity instruments according to IAS 32 'Financial instruments – presentation'.

After initial recognition, all equity instruments are measured at fair value, also those that are not quoted. Changes in fair value are recognised in OCI or in the income statement, depending on their irrevocable classification on initial recognition in one of the following measurement categories:

- Fair value through other comprehensive income (FVOCI): fair value changes on those equity instruments are recognised in OCI under the line item 'Net change in fair value of equity investments designated at FVOCI'; or
- Fair value through profit or loss (FVTPL): fair value changes on those equity instruments are recognised in the income statement under the line item 'Net gain on derecognition and changes in fair value'.

Ageas determines on an instrument-by-instrument and purchase line basis for which equity instruments it is more appropriate to apply the FVOCI measurement category. Ageas does not apply the FVOCI measurement category for equity instruments that are held for trading or that represent a contingent consideration recognised by an acquirer in a business combination.

Dividends on equity instruments are recognised in the income statement.

D. Classification and subsequent measurement of financial liabilities

D.1 Classification of financial liabilities

A financial instrument is classified as a financial liability if Ageas has a contractual obligation to:

- Deliver cash or another financial asset to the holder of the instrument or to exchange another financial instrument with the holder under conditions that are potentially unfavourable to Ageas; or
- Settle the financial instrument in a variable number of its own shares.

Examples of financial liabilities are debt certificates, subordinated liabilities issued by Ageas, investment contracts that do not fall in the scope of IFRS 17 'Insurance contracts' and other borrowings.

After initial recognition, financial liabilities are classified and measured at AC, except if they are measured at FVTPL.

IFRS 9 requires that some financial liabilities, such as financial liabilities held for trading and derivative liabilities that have not been designated in a hedging relationship, are mandatorily measured at FVTPL. Financial liabilities that are not mandatorily measured at FVTPL can be irrevocably designated as measured at FVTPL on their initial recognition if:

- The financial liability is managed, its performance is evaluated, and it is reported internally on a fair value basis;
- Designation of the financial liability at FVTPL eliminates or significantly reduces measurement or recognition inconsistencies ('accounting mismatch'); or
- The financial liability contains one or more embedded derivatives that are not closely related to the host contract, but for which it is not possible to separate the non-closely related embedded derivative from the host contract, and IFRS 9 permits the entire hybrid contract to be designated at FVTPL.

Ageas designates some investment contracts without discretionary participation features (DPF) at FVTPL on their initial recognition. Those contracts are financial liabilities whose fair value is depending on the fair value of the underlying financial assets and the underlying assets are managed and their performance is evaluated on a fair value basis. Consequently, the changes in fair value of those investment contracts are fully offset by the changes in fair value of the underlying financial assets. When an investment contract without DPF has an embedded put or surrender option, the fair value of the financial liability is never less than the amount payable on surrender.

D.2 Subsequent measurement of financial liabilities

The amortised cost of a financial liability is the amount at which the financial liability is measured on initial recognition minus repayments of principal, plus or minus the cumulative amortisation of any premium or discount recognised initially, using the effective interest rate method. The amortisation of any premium or discount recognised initially is recognised in the income statement as interest expense or interest income.

Ageas recognises fair value changes of financial liabilities that are measured at FVTPL in the income statement. For financial liabilities that are irrevocably designated at FVTPL, the changes in the liability's fair value that are related to changes in own credit risk are recognised in OCI, unless this creates more measurement inconsistency compared to presenting those changes in the income statement. Such measurement inconsistency may arise for investment contracts. The remaining amount of fair value change is presented in the income statement.

Interest expense on debt instruments is recognised on an accrual basis in the income statement, using the effective interest rate method.

E. Derecognition, modification and reclassification of financial instruments

E.1 Derecognition and modification of financial assets

Derecognition of financial assets

A financial asset, or a part of it, is derecognised from the statement of financial position when the contractual rights to receive cash flows from the financial asset expire or when Ageas transfers substantially all the risks and rewards of ownership of the financial asset to a third party.

On derecognition of a financial asset, the difference between the carrying amount of the derecognised asset (or the carrying amount allocated to the derecognised part of the asset) and the consideration received is recognised in the income statement. The consideration received includes the fair value of any new asset obtained less new liability assumed.

On derecognition of a financial asset, cumulative gains and losses which were previously recognised in OCI are reclassified as described in section 8 K.2 below.

Sale and repurchase agreements
Financial assets sold subject to a commitment to repurchase the same, or substantially similar, financial instruments at a fixed price at a future date ('repo' agreement) are not derecognised from the statement of financial position of Ageas because all risks and rewards of ownership remain with Ageas. Those financial assets remain valued applying the measurement category to which they belonged. The cash consideration received from such sales is recognised as a financial asset and a corresponding financial liability. The corresponding liability represents the obligation to pay the repurchase price and is valued at AC. As per 31 December 2023, this liability is recognised under the line item 'Repurchase agreements' instead of 'Borrowings' in view of enhancing the readability of the consolidated statement of financial position. The comparative periods have been restated accordingly.

Financial assets purchased subject to a commitment to resell the same, or substantially similar, financial instruments at a fixed price at a future date ('reverse repo' agreement) are not recognised in the statement of financial position of Ageas but are recorded as off-balance sheet items. The right to receive cash from the counterparty is measured at AC and is recognised under the line item 'Loans'. The difference between the purchase and resell price is treated as interest income and is accrued over the life of the agreement using the effective interest rate method.

Securities lending
Financial assets lent to third parties are not derecognised from the statement of financial position of Ageas. Similarly, financial assets borrowed from third parties are not recognised in the statement of financial position of Ageas. Fees related to such lending and borrowing transactions are recognised in the income statement under the line item 'Net result from interest, dividend and other income non-related to unit-linked investments'.

If Ageas subsequently sells borrowed financial assets to third parties, Ageas recognises the proceeds from the sale together with the obligation to deliver the borrowed financial securities. The obligation to deliver the borrowed securities is measured at FVTPL.

Modification of financial assets
If the terms of a financial asset are modified, Ageas evaluates whether the contractual cash flows of the modified financial asset are substantially different:
- If the contractual cash flows are substantially different, then the contractual rights to receive the cash flows from the original financial asset are deemed to have expired. Ageas then derecognises the original financial asset, or a part of it, from its statement of financial position and recognises a new financial asset at fair value plus any eligible transaction costs. Any difference is recognised in the income statement.
- If the contractual cash flows are not substantially different, then the original financial asset is not derecognised from the statement of financial position. The gross carrying amount of the financial asset is recalculated by discounting the modified contractual cash flows using the original effective interest rate. The resulting adjustment in carrying amount is recognised in the income statement as a modification gain or loss. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

E.2 Derecognition and modification of financial liabilities
A financial liability, or a part of it, is derecognised from the statement of financial position when its contractual obligations are discharged or cancelled or expire (i.e. the liability is extinguished).

On derecognition of a financial liability, the difference between the carrying amount of the derecognised liability (or the carrying amount allocated to the derecognised part of the liability) and the consideration paid is recognised in the income statement. The consideration paid includes the fair value of any non-cash asset transferred or liability assumed.

On derecognition of a financial liability that has been irrevocably designated at FVTPL on initial recognition, any cumulative changes in the liability's credit risk, which were previously recognised in OCI, are transferred from OCI to retained earnings. Those are never reclassified to the income statement.

An exchange between Ageas and the existing lenders of debt instruments with substantially different terms, as well as a substantial modification of the contractual terms of an existing financial liability (or a part of it), is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The terms of a financial liability are substantially different from the original terms if the present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the present value of the remaining cash flows of the original financial liability. In determining those fees paid net of fees received, Ageas includes only fees paid or received between Ageas and the lender, including fees paid or received by either Ageas or the lender on the other's behalf.

In addition, other qualitative factors, such as a change in currency, changes in the type of interest rate, new conversion features or changes in covenants, may be considered in assessing whether the terms of a financial liability are substantially different from the original terms.

If the exchange of debt instruments or modification of contractual terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment.

If the exchange of debt instruments or modification of contractual terms is not accounted for as an extinguishment, the amortised cost of the financial liability is recalculated by discounting the modified contractual cash flows using the original effective interest rate. The resulting adjustment is recognised in the income statement as a modification gain or loss. Any costs or fees incurred adjust the carrying amount of the modified liability and are amortised over the remaining term of the modified liability.

E.3 Reclassification of financial instruments

Debt instruments, equity instruments and financial liabilities are not reclassified subsequently to their initial recognition, except in the exceptional case of a change in business model.

F. Offsetting of financial assets and financial liabilities

Ageas offsets a financial asset and a financial liability, resulting in only their net amount being presented in its statement of financial position, if and only if:

- Ageas currently has a legally enforceable right to set off the recognised amounts; and
- Ageas intends to either settle the financial asset and financial liability on a net basis or intends to realise the financial asset and settle the financial liability simultaneously.

Sale and repurchase agreements and derivatives that meet the two criteria above are offset in the statement of financial position of Ageas.

G. Loss allowance for expected credit losses

Ageas recognises a loss allowance for expected credit losses (ECL) on following financial assets that are not measured at FVTPL:

- Debt instruments (measured at AC or at FVOCI);
- Lease receivables;
- Trade receivables;
- Broker receivables (if the broker is acting on behalf of Ageas);
- Contract assets;
- Loan commitments; and
- Financial guarantee contracts.

No loss allowance for ECL is recognised on equity instruments and derivatives.

Ageas recognises and measures a loss allowance for ECL as from the first reporting date after initial recognition of a financial asset.

G.1 Determination of the loss allowance for ECL

The loss allowance for ECL is determined at an amount equal to lifetime ECL if the credit risk on an asset has increased significantly since initial recognition (see ‘Stage 2’ and ‘Stage 3’ below). Otherwise, the loss allowance for ECL is determined at an amount equal to 12-month ECL (see ‘Stage 1’ below).

A loss allowance for ECL determined at an amount equal to lifetime ECL represents a probability-weighted estimation of all cash shortfalls (i.e. the difference between all contractual cash flows that are due in accordance with the contract and all the cash flows that the entity expects to receive), that result from all possible default events over the expected life of the financial asset, discounted using the initial effective interest rate of the financial asset.

A loss allowance for ECL determined at an amount equal to 12-month ECL represents the portion of the lifetime ECL that result from default events on the financial asset that are possible within twelve months after the reporting date.

The loss allowance for ECL is determined using a three-stage model.

Stage 1 – No significant increase in credit risk since initial recognition

A financial asset that is not credit impaired on initial recognition or on origination is classified in ‘Stage 1’. The asset remains in ‘Stage 1’ as long as the credit risk on the asset has not increased significantly since initial recognition (see ‘Stage 2’ below).

For financial assets classified in ‘Stage 1’ and that are determined to have a low credit risk at the reporting date, or that have no low credit risk at the reporting date, but for which the credit risk rating grade has not yet decreased by three or more credit risk rating steps (‘notches’) since initial recognition of the financial asset, the loss allowance for ECL is determined at an amount equal to 12-month ECL.

Ageas considers that financial assets have a low credit risk at the reporting date if their contractual payments are less or equal than 30 days past due (see ‘Significant increase in credit risk since initial recognition’ below). Additionally, a debt instrument is considered to have a low credit risk at the reporting date when its external or internal credit risk rating at that date qualifies for the common definition of ‘investment grade’ (i.e. having a credit risk rating of at least Baa3 or BBB-).

Stage 2 – Significant increase in credit risk since initial recognition
A financial asset is classified in 'Stage 2' at the reporting date if the credit risk on the asset has increased significantly since initial recognition, but the asset is not credit-impaired at that date (see 'Stage 3' below).

To assess whether the credit risk on a financial asset has increased significantly since initial recognition, the risk of default occurring on the financial asset as at the reporting date is compared with the risk of default occurring on the same financial asset as at the date of initial recognition. This assessment is performed using reasonably available and supportable past due and forward-looking information, that considers the characteristics of the financial asset (or group of financial assets).

For financial assets classified in 'Stage 2', the loss allowance for ECL is determined at an amount equal to lifetime ECL.

Ageas applies quantitative thresholds based on forward-looking information and a (rebuttable) presumption to assess whether, at the reporting date, the credit risk of an asset has increased significantly since its initial recognition.

For debt instruments with an external or internal credit risk rating, the credit risk is deemed to have increased significantly since initial recognition if both of the following thresholds are met:
- At the reporting date, the debt instrument has a credit risk rating of below 'investment grade' (i.e. having a credit risk rating of Ba1 or BB+ or below); and
- The credit risk rating of the debt instrument at the reporting date has decreased by three or more 'notches' since initial recognition date of the debt instrument.

The credit risk ratings used are based on a variety of data that are considered to be predictive of the probability of credit default in future cash flow cycles during the remaining lifetime of the financial assets.

The decision to apply the 'investment grade' threshold should be linked to the practical expedient for financial assets with a low credit risk at the reporting date (see 'Stage 1' above). Financial assets that have a credit risk rating of 'investment grade' are generally considered to have following characteristics:
- They have a strong capacity to meet their contractual cash flows in the near term;
- They have a low risk of incurring losses; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability to meet their contractual cash flows.

The decision to consider a decrease of the credit risk rating by three 'notches' or more as significant finds its rationale in the width of credit rating grades as defined by the credit rating agencies (e.g. Fitch, Moody's, S&P) and aligns to the definition of credit quality steps (CQS) used under Solvency II.

The (Asian) associates of Ageas apply comparable thresholds, considering the characteristics of the financial assets in their asset portfolio and the historic default patterns for comparable financial assets.

For debt instruments without credit risk rating (external or internal), the credit risk is deemed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due.

The assessment whether the credit risk on a financial instrument has increased significantly since initial recognition is performed at each reporting date and at purchase-line level. If Ageas is not able to identify significant changes in credit risk for individual financial assets before the financial asset becomes past due, the assessment is performed on a collective basis.

Regardless of the thresholds above, Ageas considers that the credit risk on a financial asset has increased significantly since initial recognition if the contractual payments are more than 30 days past due. This criterion is considered to be a back stop criterion. Although the 30 days past due threshold is considered to be the latest point at which a loss allowance for ECL determined at an amount equal to lifetime ECL should be recognised, the local Credit Risk Committee (or equivalent) can rebut this back stop criterion if it has reasonable and supportable information that demonstrates that, even if the contractual payments become more than 30 days past due, this does not represent a significant increase in the credit risk of the financial asset. In the other way around, the local Credit Risk Committee may decide, based on reasonably and supportable available information, that the credit risk has increased significantly since initial recognition, even if the contractual payments are not more than 30 days past due.

Stage 3 – Credit-impaired
A financial asset is considered to be credit-impaired (or in default) when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the asset. Numerous factors are considered in the assessment whether a financial asset is or has become credit-impaired, including amongst others following criteria:
- Regular payment problems by the issuer or borrower;
- Breach of covenants or other important commitments by the issuer or borrower;
- Significant financial difficulty of the issuer or borrower;
- Significant probability that the issuer or borrower will enter into bankruptcy or another kind of financial reorganisation;
- Request by the issuer or borrower for consolidation or re-negotiation of debt;
- Negative equity of the issuer;
- Other creditors are initiating legal actions towards the issuer or borrower.

In addition to the qualitative criteria above, Ageas determines that a financial asset is or has become credit-impaired if the contractual payments are more than 90 days past due. The 90 days past due criterium can be rebutted by the local Credit Risk Committee (or equivalent) if this Committee has reasonable and supportable information to do so.

The qualitative and quantitative criteria above are aligned with those used by Ageas for internal credit risk management purposes.

The local Credit Risk Committee (or equivalent) is competent to determine whether a financial asset is credit-impaired at the reporting date.

A financial asset that is credit-impaired is classified in ‘Stage 3’. For financial assets classified in ‘Stage 3’, the loss allowance for ECL is determined at an amount equal to lifetime ECL.

Simplified approach

For operating lease receivables, trade and broker receivables and contract assets, Ageas applies the simplified approach. Under the simplified approach, the loss allowance is always measured at an amount equal to lifetime ECL, based on moving forward average loss rates from previous periods, in forthcoming cases adjusted with reasonable and supportable forward-looking information. Ageas does not apply the simplified approach to finance lease receivables.

G.2 Measurement of the loss allowance for ECL

To measure the loss allowance for ECL, Ageas uses reasonable and supportable information that is available without undue cost or effort. The information used considers historical information, current conditions and forecasts of future economic conditions.

The loss allowance for ECL is measured as the discounted product of the ‘probability of default’, ‘exposure at default’ and ‘loss given default’, which are defined as follows:

- Probability of default (PD): is an estimate of the ‘point-in-time’ likelihood of the borrower defaulting on its financial obligation, either over the next twelve months after the reporting period, or over the remaining lifetime of the obligation.
- Exposure at default (EAD): is an estimate of the amounts that Ageas expects to be owed at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by the contract or otherwise, and accrued interest from missed payments. The EAD of a financial asset is its nominal outstanding amount plus accrued interest (including any inflation-linked amounts) at the time of default.
- Loss given default (LGD): is an estimate of the difference between the contractual cash flows and the expected cash flows, including cash flows from the realisation of any collateral or credit enhancement, i.e. the loss arising when a default occurs. It represents the current and expected position in the current credit life cycle. The LGD varies by type of counterparty, type and seniority of the claim and availability of collateral or other support. The LGD is estimated based on the history of recovery rates of claims against defaulted counterparties and is expressed as a percentage of the EAD.

For PD and LGD, each of the key input factors used to measure the loss allowance for ECL rely on a broad range of forward-looking macro-economic variables, which are estimated for different scenarios and which consider the industry and region of the counterparty. Those macro-economic variables are updated on a quarterly basis. The outcome of the model represents an unbiased and probability-weighted best estimate that is determined by evaluating a range of possible scenarios.

The maximum period considered in measuring the loss allowance for ECL is the maximum contractual period (including extension options) over which Ageas is exposed to credit risk.

The loss allowance for ECL is (re)measured at the end of each reporting period, based on the ‘Stage’ in which the financial asset is classified at that date. The applicable ‘Stage’ is determined at purchase line level and is symmetrical, i.e. it can evolve in both directions. For financial assets with an external or internal credit risk rating, Ageas records favourable transitions between ‘Stages’ without delay. For financial assets without an external or internal credit risk rating, a rebuttable probation period of three months is applied for each favourable transition between successive ‘Stages’ (i.e. a rebuttable probation period of six months is applied for a favourable transition from ‘Stage 3’ to ‘Stage 1’).

Use of forward-looking information

The main macro-economic variables that Ageas considers in estimating changes in credit risk and in estimating their impact on the loss allowance for ECL are the variation in:

- Gross domestic product (GDP) growth;
- Unemployment rate;
- Real income;
- Industrial production;
- Wholesale and retail sales;
- Different indices (including energy and non-energy indices); and
- Proportion of downgrades.

The estimates of macro-economic variables reflect the country and industry risk of the counterparty by considering whether the counterparty is a financial, corporate or sovereign and considering the main region of activity of the counterparty. The main regions of activity are as follows and may be further split-up if this significantly improves the estimates:

- Africa, with a potential further split between North- and Sub-Saharan Africa;
- America, with a potential further split between North-, Central- and South America;
- Asia, with a potential further split between Central-, East-, South and Southeast Asia;
- Australia and New-Zealand;
- Europe, with a potential further split between Eastern- and Western Europe;
- Middle East; and
- Pacific Islands.

The impact of each macro-economic variable on the key input factors PD and LGD is determined by performing a statistical analysis, to understand the impact that changes in these macro-economic variables historically had on default rates and on the LGD, considering the type of financial instrument, collateral type as well as borrower characteristics.

Ageas estimates the macro-economic variables under three scenarios (positive, neutral and negative scenario). Each scenario includes reliable estimates for the first five years. After the first five years, a mean reversion approach is used to project the macro-economic variables over the expected remaining lifetime of the financial assets, which means that the projections of the macro-economic variables tend to either a long run average rate (e.g. unemployment rate) or a long run average growth rate (e.g. growth of gross domestic product).

The neutral scenario represents the most likely path of the economy over the projection horizon. Therefore, Ageas generally gives the highest weight to the outcome of the neutral scenario. The management of Ageas may however decide to attribute a higher weight to the outcome of the positive or the negative scenario. The choice to do so is (re)assessed each quarter and is mainly based on forecasts of gross domestic product growth, and expected changes therein, as estimated and published by the World Bank. Although Ageas maximises the use of consensus information that is not produced in-house (including, amongst others, data from the World Bank and from the World Economic Outlook database of the International Monetary Fund (IMF)), economic forecasts remain subject to a high degree of uncertainty, implying that actual outcomes may differ significantly from such forecasts. However, Ageas considers that the forecasts used represent the best estimate of future macro-economic circumstances, considering reasonable and supportable information that is available without undue cost or effort at the assessment date.

The macro-economic variables used may not always capture all characteristics of the market at the reporting date. Therefore, the use of other forward-looking considerations not otherwise incorporated within the three scenarios, such as the impact of any regulatory, legislative or political changes, is also considered. Because currently they are not deemed to have a material impact, no adjustment has been made for such considerations. The impact of other forward-looking considerations is reviewed on a quarterly basis, together with the update of the macro-economic variables and the relative weights of the different scenarios.

Loss allowance for ECL for modified financial assets

When the contractual terms of a financial asset are renegotiated or modified, or an existing financial asset is derecognised and replaced by a new one, the 'Stage' in which the modified or new financial asset is classified at the reporting date is determined as follows:

- If the original financial asset is not derecognised, the assessment of whether there has been a significant increase in credit risk since initial recognition is performed by comparing the risk of default occurring at the reporting date (using the modified contractual terms) with the risk of default occurring on initial recognition (using the original, unmodified contractual terms).
- If the original financial asset, or a part of it, is derecognised and a new financial asset is recognised based on the modified contractual terms, the date of renegotiation of the contractual terms is the date of initial recognition for assessing subsequently whether there has been a significant increase in credit risk. The loss allowance for ECL is calculated based on the modified contractual terms.

Purchased or originated credit-impaired financial assets

Purchased or originated credit-impaired financial assets are assets that are credit-impaired on initial recognition (i.e. those assets meet the definition of default on initial recognition).

No loss allowance for ECL is recognised for financial assets that are credit-impaired on initial recognition, because a loss allowance for lifetime ECL is already included in the estimated cash flows when calculating the effective interest rate at that date. After initial recognition, any change in the loss allowance for lifetime ECL is recognised in the income statement. Favourable changes in the loss allowance for lifetime ECL are recognised as an impairment gain, even if the loss allowance for lifetime ECL is less than the amount of loss allowance for ECL that was included in the estimated cash flows on initial recognition. Such impairment gain is recognised as a direct adjustment to the gross carrying amount.

G.3 Presentation of the loss allowance for ECL

Ageas recognises a new loss allowance for ECL and changes in the existing loss allowance for ECL as compared to a previous reporting period, in the income statement under the line item 'Net impairment loss on financial assets'.

In the statement of financial position, Ageas presents the loss allowance for ECL as follows:

- Debt instruments, receivables and contract assets measured at AC: the loss allowance for ECL is presented as a deduction from the gross carrying amount.
- Debt instruments measured at FVOCI: the loss allowance for ECL does not reduce the gross carrying amount but is presented as an opposite component in OCI under the line item ‘Net change in fair value of financial investments measured at FVOCI’, together with the cumulative fair value changes since initial recognition.
- Loan commitments and financial guarantee contracts: as a provision, under the line item ‘Provisions’.

Write-off

A write-off consists in the reduction of the gross carrying amount of a financial asset. Ageas recognises a write-off when it does not reasonably expect to recover the financial asset in its entirety or a portion thereof. A write-off constitutes a (partial) derecognition of the financial asset.

Financial assets that are written off can still be subject to debt collection activities for recovery of amounts due.

When a financial asset is written off, the cumulative amount of a previously recognised loss allowance for ECL is not reversed but is offset with the reduction of the gross carrying amount of the financial instrument written off. If the amount of write-off exceeds the cumulative amount of a previously recognised loss allowance for ECL, the difference is first considered as an additional loss allowance for ECL. Any subsequent recoveries after a write-off are directly recognised in the income statement under the line item ‘Net impairment loss on financial assets’.

H. Derivatives and financial instruments used for hedging

H.1 Derivatives

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract;
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and
- It is settled at a future date.

Examples of derivatives are swaps, forward and future contracts and options.

Ageas initially recognises a derivative in its statement of financial position on the date that the derivative contract is entered into.

Derivatives are measured at fair value, both on initial recognition and subsequently. Derivatives that are not designated in a hedging relationship (see below for derivatives held for hedging purposes) are deemed to be held-for-trading. Changes in their carrying ‘clean’ fair value (i.e. excluding any unrealised interest accruals) are recognised in the income statement.

Derivatives are carried as an asset when their fair value is positive and as a liability when their fair value is negative.

H.2 Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host. An example of an embedded derivative is a conversion option in a convertible bond.

If the hybrid contract contains a host that is a financial asset, then the entire hybrid contract is classified and measured as a single financial instrument.

If the hybrid contract contains a host that is not a financial asset, then the embedded derivative is separated from the host and is accounted for as a separate derivative if following criteria are fulfilled:

- The economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host. In particular, an embedded derivative is closely related to a host insurance contract if both are so interdependent that the embedded derivative cannot be measured separately, i.e. without considering the host contract;
- A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- The hybrid contract is not measured at FVTPL.

The host, that is not a financial asset, is accounted for applying the applicable requirements for the relevant category of non-financial assets.

H.3 Financial instruments held for hedging purposes

For risk management purposes, Ageas formally designates certain derivatives and non-derivative financial instruments as hedging instruments in a qualifying hedging relationship. Those hedging relationships are accounted for applying the requirements in IFRS 9 ‘Financial instruments’.

The accounting for hedging relationships follows their designation. Following designations are possible:

- Fair value hedge;
- Cash flow hedge; or
- Hedge of a net investment in a foreign operation.

A fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability, an unrecognised firm commitment, or a component of any such item, that is attributable to a particular risk and that could affect the income statement. Under a fair value hedge relationship, the fair value gain or loss on the hedging instrument is recognised in the income statement, along with the corresponding change in fair value of the hedged item. If the hedged item is measured at cost or amortised cost, its carrying amount is adjusted for the gains or losses due to changes in the hedged risk.

Hedges of firm commitments are fair value hedges, except for hedges of the foreign currency risk of a firm commitment, which may be accounted for as a fair value hedge or a cash flow hedge.

If the hedged item in a fair value hedge is an equity instrument, for which Ageas has elected at its initial recognition to present changes in fair value in OCI, the hedged exposure must be one that could affect OCI. An example of such a fair value hedge is a forward sale of equity instruments for which Ageas has elected at their initial recognition to present the changes in fair value of the equity instruments in OCI. In such a fair value hedge relationship, fair value gains or losses on the hedging instrument, including any hedge ineffectiveness, are recognised in OCI under the line item 'Net change in fair value of equity instruments designated at FVOCI', together with the fair value changes on the equity instruments. At the maturity date of the forward sale transaction, the cumulative amounts that were previously recognised in OCI are not reclassified to the income statement, but directly from OCI to retained earnings.

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with (a component of) a recognised asset or liability or a highly probable forecast transaction and that could affect the income statement. Ageas uses cash flow hedges for example to hedge interest rate risk on floating rate financial instruments and to hedge foreign exchange risk on highly probable forecast transactions. Under a cash flow hedge relationship, the portion of fair value gains or losses on the hedging instrument, that is determined to be an effective hedge, is recognised in OCI under the line item 'Net change in fair value of financial investments measured at FVOCI', along with the corresponding changes in fair value of the hedged item. Any ineffective portion of fair value gains or losses on the hedging instrument is directly recognised in the income statement. In designating a hedge relationship, Ageas tries to maximise hedge effectiveness.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or the hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the cumulative amounts previously recognised in OCI adjust the initial cost or other carrying amount of the recognised non-financial asset or non-financial liability. For all other cash flow hedges, the cumulative amounts previously recognised in OCI are reclassified from OCI to the income statement in the same period(s) during which the hedged expected future cash flows affect the income statement (i.e. the period(s) when the forecast transaction is ultimately recognised in the income statement) or at the moment it becomes clear that the forecasted transaction is no longer expected to occur.

A hedge of a net investment in a foreign operation is a hedge of the foreign currency exposure arising from Ageas' share in the net assets of a foreign operation with a different functional currency than the functional currency of Ageas. Hedges of a net investment in a foreign operation are accounted for similarly to cash flow hedges. The portion of the fair value gains or losses on the hedging instrument, that is determined to be an effective hedge, is recognised in OCI under the line item 'Foreign currency translation differences'. Any ineffective portion of the fair value gains or losses on the hedging instrument is directly recognised in the income statement. On disposal or partial disposal of the foreign operation, the cumulative amounts previously recognised in OCI are fully or partially reclassified OCI to the income statement, as part of the gain or loss on (partial) disposal.

I. Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date in an orderly transaction (i.e. not an involuntary liquidation or distress sale) between market participants in the principal market (or in its absence, the most advantageous market to which Ageas has access at that date) under current market conditions (i.e. an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

The fair value presented in the statement of financial position is the 'clean' fair value, which is the total fair value (or 'dirty' fair value) less accrued interest and transaction costs. Accrued interest is presented separately.

The fair value of a liability reflects its non-performance risk, which includes, but may not be limited to, the entity's own credit risk.

The fair value of a financial instrument is generally determined at the level of an individual financial asset or an individual financial liability. A portfolio-based measurement approach may be applied to financial assets and financial liabilities with offsetting positions in market risk or counterparty credit risk.

When available, the fair value of a financial instrument is determined using its quoted price in an active market for identical assets or liabilities. A market is considered as ‘active’ if quoted prices for the asset or liability are readily and regularly available from an exchange dealer, broker, industry group, pricing service or regulatory agency, and those prices are based on a sufficient frequency and volume of market transactions on an arm’s length basis.

Whenever available, the quoted price in an active market provides the most reliable evidence of fair value and shall be used without adjustment to determine the fair value of a financial instrument. Adjustments to the quoted price in an active market are made only if:

- Ageas holds a large number of similar (but not identical) assets or liabilities that are measured at fair value and a quoted price in an active market is available, but not readily accessible for each of those assets or liabilities individually;
- The quoted price in an active market does not represent the fair value at the measurement date (e.g. a binding agreement to sell shares at a price other than the market price); or
- The quoted price of a liability is adjusted for factors specific to the item.

Any adjustment to the quoted price in an active market results in a fair value measurement categorised within a lower level of the fair value hierarchy (i.e. Level 2 or Level 3 – see below).

In the notes to these consolidated financial statements, financial instruments that are measured at fair value are categorised into one of the following levels of the fair value hierarchy, depending on the inputs used to determine their fair value:

- Level 1: the fair value of a financial instrument is determined using the (unadjusted) quoted price in an active market for identical assets or liabilities.
- Level 2: the fair value of a financial instrument is determined based on a valuation technique, using inputs – other than quoted prices included in Level 1 – that are observable in the market for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices, such as interest or exchange rate).
- Level 3: the fair value of a financial instrument is determined based on a valuation technique, using inputs that are not (completely) based on observable market data.

A financial instrument is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire fair value measurement.

If applicable, transfers between levels of the fair value hierarchy are recognised as at the date of the change in circumstances that caused the transfer.

If a financial instrument measured at fair value has a bid price and an ask price, then the bid price is used to determine the fair value of an asset held or liability to be issued and the ask price is used to determine the fair value of an asset to be acquired or liability held. Mid-market prices are used as a basis for establishing the fair value of assets and liabilities with offsetting market risks.

When the frequency and volume of market activity for a financial instrument significantly decrease, Ageas reviews the transactions or quoted prices and may decide to apply an alternative valuation technique or multiple valuation techniques (e.g. present value techniques) to determine the fair value. The financial instrument is then categorised within a lower level of the fair value hierarchy (Level 2 or Level 3).

Non-exchange traded financial instruments are often traded in over-the-counter (OTC) markets by dealers or other intermediaries from whom market prices can be obtained. Various sources provide quotations for many financial instruments that are regularly traded in the OTC market. Those sources include the financial press, various publications of financial reporting services and individual market makers.

If no quoted price in an active market is available, the fair value of a financial asset or financial liability is determined using a valuation technique. The chosen valuation technique has the following characteristics:

- It maximises the use of relevant observable market inputs and minimises the use of unobservable inputs (such as internal assumptions and estimates); and
- It incorporates all factors that market participants would consider in pricing a transaction at the measurement date under current market conditions.

When Ageas uses quantitative unobservable inputs in determining fair value, those are preferably not developed in house.

If there is a valuation technique that is commonly used by market participants to price a financial instrument, and that valuation technique has demonstrated to provide reliable estimates of prices obtained in actual market transactions, Ageas applies that valuation technique. Well-established valuation techniques in financial markets include recent market transactions involving identical or comparable assets or liabilities, discounted cash flow models (including option-pricing models) and current replacement cost.

Ageas applies valuation techniques in a consistent way. Changes in valuation techniques, or changes in their application, only occur if the change results in a measurement that is equally or more representative of fair value or if a change is necessary because of changes in market conditions or changes in availability of information.

Methods and assumptions used in determining fair value

The methods and assumptions used by Ageas in determining fair value largely depend on whether the financial instrument is traded on financial markets and on the information that is available to be incorporated in the valuation model.

Ageas uses the following methods and assumptions in determining the fair value of financial instruments:

- The fair value of financial instruments (including loans and asset-backed securities) that are measured or disclosed at fair value, is determined using quoted prices in active markets. If no quoted prices in active markets are available, the fair value is determined using discounted cash flow models. For variable rate loans that re-price frequently and that have no significant change in credit risk, fair values are determined using the carrying amount. Option pricing models are used for valuing caps and a prepayment option embedded in a loan. Discount factors are based on a swap yield curve plus a spread, reflecting the risk characteristics of the instruments. In particular for asset-backed securities, the expected cash flows used in the discounted cash flow model take into account original underwriting criteria, borrower attributes (such as age and credit scores), loan-to-value ratios, expected house price movements and expected prepayment rates.
- The fair value of unquoted equity securities and investment funds is estimated using applicable market multiples (e.g. price/earnings or price/cash flow ratios), refined to reflect the specific characteristics of the issuer. Level 3 valuations for unquoted investment funds make use of the fair values disclosed in the audited financial statements of the concerned funds.
- The fair value of borrowings and issued subordinated loans is determined using discounted cash flow models, based on Ageas' current incremental lending rates for a similar type of borrowing.
- The fair value of derivatives is determined using quoted prices in active markets or using, as appropriate, discounted cash flow models and option pricing models. For derivatives traded on a recognised exchange, quoted market prices provide the most reliable fair value. For derivatives that are not traded on a recognised exchange, the fair value is considered to be the value that could be realised through termination or assignment of the derivative. Factors that influence the valuation of an individual derivative include the counterparty's credit rating and the complexity of the derivative. If these factors differ from the basic factors underlying the quote, an adjustment to the quoted price may be considered. A common valuation technique for an interest rate swap incorporates a comparison of the yield of the swap with the current swap yield curve, whereby the swap yield curve is derived from quoted swap rates. Dealer bid and offer quotes are generally available for basic interest rate swaps involving counterparties whose securities are investment grade.
- The fair value of off-balance sheet commitments and guarantees is determined based on fees currently charged to enter into similar agreements, considering the terms of the agreements and the counterparties' credit standings.

The fair value of financial instruments that are categorised into Level 3 of the fair value hierarchy is mainly sensitive to changes in the level of expected future cash flows.

The relevant notes to these consolidated financial statements provide further information on the application of these valuation methods and assumptions.

J. Net result from interest and dividend

J.1 Interest income and expense

Interest income and expense on all interest-bearing financial instruments is recognised in the income statement on an accrual basis, using the effective interest rate method.

Interest income includes coupons earned on fixed and floating rate income financial instruments and the amortisation or accretion of transaction costs, premium or discount.

The effective interest rate of a financial instrument is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to the gross carrying amount of the financial asset (i.e. its amortised cost before deducting any loss allowance for ECL) or to the amortised cost of the financial liability. The calculation of the effective interest rate is based on the actual purchase or issue price and includes directly attributable transaction costs, fees, other costs and any discount or premium on acquisition of the financial asset or issuance of the financial liability.

For a financial instrument that is not measured at FVTPL, examples of fees that are an integral part of the effective interest rate are:

- Origination fees received as a compensation for activities such as evaluating the borrower's financial condition, evaluating and recording guarantees, collateral and other security arrangements, negotiating the terms of the instrument, preparing and processing documents and closing the transaction.
- Origination fees received on issuing financial liabilities.

When the financial instrument is measured at FVTPL, the fees relating to the issuance of the financial instrument are recognised in the income statement when the instrument is initially recognised.

Interest income and expense is calculated by applying the effective interest method to the gross carrying amount of a financial asset or to the amortised cost of a financial liability, unless the financial asset is credit-impaired:

- Financial assets that have become credit-impaired subsequent to initial recognition: interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset (i.e. its gross carrying amount less any loss allowance for ECL). If the financial asset is no longer credit-impaired, the calculation basis reverts to the gross carrying amount.
- Financial assets that are purchased or originated credit-impaired: interest income is calculated by applying the credit-adjusted effective interest rate (i.e. including a loss allowance for lifetime ECL) to the amortised cost of the financial asset on initial recognition. The calculation basis for the interest income does not change when the credit risk of the financial asset improves in a subsequent reporting period, implying that it is no longer credit-impaired.

J.2 Dividend income

Ageas recognises dividends on equity instruments and investment funds in its income statement if and when:

- The dividend represents a remuneration on investment;
- The right to receive payment of the dividend is established;
- It is probable that the economic benefits associated with the dividend will flow to Ageas; and
- The amount of dividend can be measured reliably.

Dividends that represent a repayment of capital are accounted for as a reduction of the carrying amount of the investment.

K Realised gains and losses on financial instruments

K.1 Financial instruments measured at AC

For financial instruments measured at AC, realised gains or losses on derecognition represent the difference between the proceeds received or paid and the gross carrying amount of the derecognised financial instrument, minus any ‘Stage 3’ loss allowance for ECL recognised. Realised gains or losses are recognised in the income statement under the line item ‘Net gain on derecognition and changes in fair value’.

K.2 Financial instruments measured at FVOCI

On derecognition of a financial instrument measured at FVOCI, the realised gains or losses are accounted for as follows:

- For debt instruments, the cumulative fair value gains or losses previously recognised in OCI (including any adjustment for the impact of hedge accounting and any ‘Stage 3’ loss allowance for ECL recognised, but excluding any ‘Stage 1’ or ‘Stage 2’ loss allowance for ECL recognised) are reclassified from OCI to the income statement and are recognised under the line item ‘Net gain on derecognition and changes in fair value’.
- For equity instruments, the cumulative fair value gains or losses previously recognised in OCI (including any adjustment for the impact of hedge accounting) are transferred from OCI to retained earnings, but are never reclassified to the income statement. The amount reclassified as such is recognised in equity under the line item ‘Net realised gains/(losses) on equity investments designated at FVOCI and on hedging instruments reclassified to retained earnings’.

9. Property, investment property and equipment

A. Classification and measurement of property held for own use and equipment

Property classified as held for own use and equipment mainly include:

- Office buildings that Ageas occupies;
- Buildings used to operate a business (such as car parks); and
- Other property and equipment.

Ageas measures equipment at cost. On initial recognition, cost is the amount of cash or cash equivalents paid or the fair value of any other consideration given to acquire an asset at the time of its acquisition or construction.

Ageas measures property held for own use at cost (including transaction costs), except for owner-occupied property that is held as underlying item of a group of insurance contracts with direct participation features, which is initially measured at cost and subsequently at fair value, with changes in fair value recognised in the income statement.

After initial recognition, property and equipment that is measured at cost is measured at the amount at the end of the previous reporting period, less accumulated depreciation and any accumulated impairment losses.

Ageas depreciates components of property and equipment using the straight-line method, reducing the cost to their residual values over their estimated useful lives. Both the residual values and the useful lives are reviewed at the end of each reporting year.

The useful life of IT, office and other equipment is determined individually for each type of asset. The useful life of buildings is determined separately for each of the following significant parts (component approach): structure, closing, techniques and equipment, heavy finishing and light finishing.

The maximum useful life of the components is as follows:

Structure	50 years for car parks, offices, nursing homes and retail 70 years for residential
Closing	30 years for offices, nursing homes and retail 40 years for residential
Techniques and equipment	15 years for car parks 20 years for offices and nursing homes 25 years for retail 40 years for residential
Heavy finishing	15 years for car parks 20 years for offices and nursing homes 25 years for retail 40 years for residential
Light finishing	10 years for offices, nursing homes, retail and residential

- Land has an unlimited useful life and is therefore not depreciated.
- Generally, residual values are considered to be zero.

Repairs and maintenance expenses are charged to the income statement when the expenditure is incurred. Expenditures that enhance or extend the benefits of buildings or fixed assets beyond their original use are capitalised and subsequently depreciated.

B. Classification and measurement of investment property

Investment property is property that Ageas holds to earn rental income or for capital appreciation or both.

Ageas may use certain investment property for own use. If the own use portions can be sold separately or leased out separately under a finance lease, these portions are accounted for as property held for own use. If the own use portions cannot be sold separately, the property is treated as investment property only if Ageas holds an insignificant portion for own use.

Ageas measures investment property at cost (including transaction costs). As an exception to the above, investment property backing insurance contract liabilities that pay a return linked directly to the fair value of, or returns from, specified assets including that investment property, is measured initially at cost and subsequently at fair value, with changes in fair value recognised in the income statement.

After initial recognition, investment property that is measured at cost is measured at the amount at the end of the previous reporting period, less accumulated depreciation and any accumulated impairment losses.

Ageas depreciates investment property using the straight-line method. Both the residual values and the useful lives of investment property are reviewed at the end of each reporting year. The useful life of investment property is determined separately for each significant part (component approach), using the same components and same maximal useful life of components as applied for property held for own use.

Ageas leases its investment property under various non-cancellable rental contracts. Certain contracts contain renewal options for various periods of time. The rental income associated with these contracts is recognised over time as investment income, on a straight-line basis over the rental term.

Transfers to, or from, investment property are only made when there is a change in use:
- Into investment property: at the end of owner-occupation, at the start of an operating lease to another party, or at the end of construction or development; and
- Out of investment property: at the commencement of owner-occupation or at the start of development with a view to sale.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised by reference to the stage of completion of the contract activity at the reporting date. When it is probable that the total contract costs will exceed the total contract revenue, the expected loss is recognised immediately in the income statement.

C. Impairment of property, investment property and equipment

Property held for own use, investment property and equipment are impaired when their carrying amount exceeds their recoverable amount.

The recoverable amount is determined as the higher of the asset's 'fair value less costs to sell' and its 'value in use', whereby:
- 'Fair value less costs to sell' is the price that would be received to sell an asset in an orderly transaction between market participants (based on observable and non-observable market data), after deducting any direct incremental disposal costs; and
- 'Value in use' is the present value of estimated future cash flows expected to arise from continuing use of the asset and from its disposal at the end of its useful life, without deduction of transfer tax.

At the end of each reporting period, Ageas assesses whether there is an objective indication that an asset may be impaired, considering various external (e.g. significant changes in the economic environment) and internal (e.g. plan to dispose) sources of information. If, and only if, any such indication exists, Ageas reduces the carrying amount of the impaired asset to its estimated recoverable amount, with the reduction in carrying amount being recognised in the income statement.

After the recognition of an impairment, Ageas adjusts the depreciation for future reporting periods based on the revised carrying amount, the asset's residual value and its remaining useful life.

If, in a subsequent reporting period, the amount of an impairment of an asset decreases due to an event occurring after recognition of that impairment, the previously recognised impairment loss is reversed in the income statement. The carrying amount after reversal of a previously recognised impairment cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior reporting periods.

D. Borrowing costs

Ageas capitalises borrowing costs that are directly attributable to the acquisition or construction of an asset while that asset is being constructed, as part of the cost of that asset. Capitalisation of borrowing costs should commence when:

- Expenditures for the asset and borrowing costs are being incurred; and
- Activities necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation of borrowing costs ceases when the asset is substantially ready for its intended use or sale. If active development is interrupted for an extended period, capitalisation is suspended. Where construction occurs piecemeal, and use of each part is possible as construction continues, capitalisation for each part ceases upon substantial completion of that part.

Borrowing costs to finance the construction of property and equipment are treated in the same way as borrowing costs on investment property.

For a borrowing associated with a specific asset, the actual rate on that borrowing is applied. Otherwise, a weighted average cost of borrowings is applied.

10. Leases

A. Ageas as a lessor

Ageas acts as a lessor under non-cancellable lease contracts for investment property and certain properties held for own use. The lease contracts may contain renewal options.

As lessor, Ageas makes the distinction whether the asset is leased under a finance lease transaction or under an operating lease transaction. Under a finance lease transaction, substantially all the risks and rewards related to ownership of the leased asset, other than the legal title, are transferred to the lessee.

Ageas presents assets leased under a finance lease as a receivable at an amount equal to the net investment in the lease. The net investment in the lease comprises the present value of the lease payments and any unguaranteed residual value. The difference between the gross investment and the net investment in the lease is recognised as unearned finance income. Finance income is recognised over the term of the lease, based on a pattern reflecting a constant periodic rate of return on the outstanding net investment in the finance lease. Initial direct costs incurred by Ageas are included in the initial measurement of the net investment in the lease and reduce the amount of income recognised over the lease term.

Ageas recognises assets leased under an operating lease transaction in its statement of financial position under the line items 'investment property' (buildings) and 'property and equipment' (equipment). Those assets are recorded at cost less accumulated depreciation. Initial direct costs incurred by Ageas are added to the carrying amount of the leased asset and are recognised as an expense over the lease term, on the same basis as the rental income.

Ageas recognises rental income, net of lease incentives granted to lessees, on a straight-line basis, unless there is compelling evidence that benefits do not accrue evenly over the period of the lease.

B. Ageas as a lessee

Ageas leases land, buildings, car parks, nursing homes, equipment and motor vehicles. The lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Ageas applies a single measurement model to assets leased under both operating or finance lease transactions. At inception of the lease, Ageas recognises a right-of-use asset and a lease liability.

At inception of the lease, the lease liability comprises the present value of following lease payments that are not paid at the commencement date, including lease payments to be made under reasonably certain extension options:
- Fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by Ageas under residual value guarantees;
- The exercise price of a purchase option if Ageas is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects Ageas exercising that option.

The lease liability is discounted applying the interest rate implicit in the lease. If that rate cannot be readily determined, Ageas applies its incremental borrowing rate. Ageas determines its incremental borrowing rate using a global available composite curve, which is based on a sample of existing secondary bonds from financial issuers in the A-range, increased by a risk premium. For car parks, a risk-free rate equal to the interest rate swap for a similar duration, increased by a risk premium, is applied.

In a subsequent reporting period, the carrying amount of the lease liability is increased to reflect the interest on the lease liability and is reduced to reflect the lease payments made. Furthermore, the lease liability is remeasured to reflect lease modifications or changes in the lease payments, including for a change in an index or a rate used to determine those payments.

The interest on the lease liability in a reporting period represents the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Ageas recognises interest on the lease liability in its income statement, together with the variable lease payments that are not included in the measurement of the lease liability. The variable lease payments are recognised in the period in which the event or condition that triggers those variable lease payments occurs.

At inception of the lease, Ageas measures the right-of-use asset at cost. This comprises the initially recognised lease liability, adjusted for any lease payments made at or before the commencement of the lease, any lease incentives received, any initial direct costs incurred by Ageas and an estimate of the costs to be incurred in dismantling and removing the underlying asset.

In a subsequent reporting period, the right-of-use asset is measured at cost, less accumulated depreciation and any impairment losses. The right-of-use asset is depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. Similar to other non-financial assets, the right-of-use asset is impaired when its carrying amount exceeds it recoverable amount. Ageas recognises the depreciation of the right-of-use asset and the potential recognition of any impairment loss on the right-of-use asset in its income statement.

If Ageas remeasures a lease liability to reflect lease modifications or changes in the lease payments, the right-of-use asset is adjusted for this remeasurement.

Ageas does not apply the measurement model above to leases of assets that are of low value to Ageas or to short-term leases, of which the lease term at commencement of the lease is twelve months or less. For those leases, the lease payments made are recognised as an expense in the income statement on a straight-line basis over the lease term.

Cash flow statement

In its consolidated statement of cash flow, Ageas presents lease payments as part of the cash flows from investing activities. The largest part of the lease payments relates to real estate backing (insurance) contract liabilities.

11. Goodwill and other intangible assets

A. Goodwill

A.1 Goodwill from business combinations as from 1 January 2010

On initial recognition, Ageas measures goodwill at cost, being the excess of the fair value of the consideration transferred over:

- Ageas' share in the net identifiable assets acquired and liabilities assumed; and
- Net of the fair value of any previously held equity interest in the acquiree.

After initial recognition, Ageas measures goodwill at cost less any accumulated impairment losses.

A.2 Goodwill from business combinations prior to 1 January 2010

In comparison with the above-mentioned requirements, the following differences apply:

- Business combinations were accounted for using the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.
- Business combinations achieved in stages were accounted for as separate steps. Any additional acquired share of interest did not affect previously recognised goodwill.
- A contingent consideration was recognised if, and only if, Ageas had a present obligation, economic outflow was more likely than not and a reliable estimate was determinable. Subsequent adjustments to the contingent consideration affected goodwill.

A.3 Impairment of goodwill

Goodwill is an intangible asset with an indefinite life. Like all other intangible assets with indefinite lives, the carrying value of goodwill is assessed annually, or more frequently, if events or changes in circumstances indicate that the carrying value may not be recoverable. If such indication exists, the recoverable amount is determined for the cash-generating unit to which the goodwill belongs. This amount is then compared to the carrying amount of the cash-generating unit and an impairment loss is recognised if the recoverable amount is less than the carrying amount. Impairment losses are recognised immediately in the income statement.

In the event of an impairment loss, Ageas first reduces the carrying amount of goodwill allocated to the cash-generating unit and then reduces the amount of the other assets in the cash-generating unit (pro-rata, based on the carrying amount of each asset in the cash generating unit). Ageas does not reverse previously recognised impairment losses relating to goodwill.

B. Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Ageas recognises an intangible asset if, and only if, it is probable that the intangible asset will create future economic benefits and if the cost of the intangible asset can be measured reliably.

Ageas measures an intangible asset at cost less any accumulated amortisation and any accumulated impairment losses.

The residual value and useful life of an intangible asset are reviewed at the end of each reporting period. Intangible assets with finite lives are amortised over their estimated useful life using the straight-line method. Intangible assets with indefinite lives, such as goodwill, are not amortised, but are instead tested for impairment at least annually. Any impairment loss identified is recognised in the income statement.

B.1 Internally generated intangible assets

Ageas capitalises only intangible assets arising from internal development. All other internally generated intangible assets are not capitalised and are expensed in the income statement of the reporting period in which the expenditure is incurred.

Ageas capitalises internally developed intangible assets if it can demonstrate all of the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the intangible asset and use or sell it;
- Its ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

B.2 Software

Software for computer hardware that cannot operate without that specific software, such as an operating system, is an integral part of the related hardware and is treated as property and equipment. If the software is not an integral part of the related hardware, Ageas capitalises the costs incurred during the development phase, for which Ageas can demonstrate all of the above-mentioned criteria, as an intangible asset that is amortised over their estimated useful life using the straight-line method. In general, such software is amortised over a maximum of five years.

B.3 Other intangible assets with finite lives

Other intangible assets with finite lives, such as car park concessions, trademarks and licenses, are generally amortised over their estimated useful lives using the straight-line method. Intangible assets with finite lives are reviewed for indicators of impairment at each reporting date.

Ageas recognises car park concessions as intangible assets when it has the right to charge for the usage of the concession infrastructure. The intangible asset received is measured at fair value on initial recognition, as consideration for providing construction or upgrade services in a service concession arrangement. The applicable fair value is determined by reference to the fair value of the construction or upgrade services provided. Subsequent to initial recognition, Ageas measures the car park concessions at cost less accumulated amortisation and any accumulated impairment losses. The estimated useful life of an intangible asset in a service concession arrangement is the period that starts at the time Ageas is able to charge for the use of the concession infrastructure until the end of the concession period. Ageas applies the same impairment principles to car park concessions as those applicable to investment properties.

12. (Re)insurance and investment contracts

A. Classification of insurance, reinsurance and investment contracts

Contracts issued or purchased by Ageas in the normal course of business comprise:

- Insurance contracts issued. These are contracts under which Ageas accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event – the insured event – adversely affects the policyholder;
- Reinsurance contracts issued. These are insurance contracts under which Ageas compensates other entities for claims arising from one or more insurance contracts issued by those entities;
- Reinsurance contracts purchased (also referred to as ‘reinsurance contracts held’). These are insurance contracts under which Ageas transfers significant insurance risk related to underlying insurance contracts to a reinsurer, to mitigate its risk exposure; and
- Investment contracts issued (with or without discretionary participation features).

Some investment contracts issued by Ageas contain discretionary participation features (DPF). Such investment contracts provide the investor with the contractual right to receive, as a supplement to the amount not subject to Ageas’ discretion, potentially significant additional benefits that are based on the return of specified pools of underlying assets.

Ageas recognises and measures insurance contracts, reinsurance contracts and investment contracts with DPF applying the requirements in IFRS 17 ‘Insurance contracts’. Those contracts are referred to as ‘Life / Non-Life insurance contract assets / liabilities’ and ‘Reinsurance contract assets / liabilities’ in the statement of financial position of Ageas.

Investment contracts without DPF (such as most unit-linked contracts) and other contracts, that have the legal form of an insurance contract, but that do not transfer significant insurance risk, are classified as financial instruments and are referred to as ‘Investment contract liabilities’ in the statement of financial position of Ageas. These contracts are measured applying the requirements in IFRS 9 ‘Financial instruments’ (see section 8 D. above).

All references in these accounting policies to ‘insurance contracts’ or ‘contracts’ equally apply to reinsurance contracts (both reinsurance contracts held and reinsurance contracts issued) and investment contracts with DPF, unless specifically stated otherwise. All references to insurance contracts issued also apply to contracts (other than reinsurance contracts held) acquired by Ageas in a business combination or in a transfer of contracts that do not form a business.

B. Insurance and reinsurance contract assets and liabilities

B.1 Unit of account (combination of contracts and separating components)

Usually, insurance contracts are designed in a way that reflect their substance and a contract with the legal form of a single contract usually reflects the substance of its contractual rights and obligations. However, the substance of (a) contract(s) sometimes differs from what is considered as a contract for other purposes (e.g. legal contract or management view). Therefore, before recognising and measuring insurance contracts, Ageas first assesses whether:

- A set or series of (legal) contracts must be combined and recognised together for accounting purposes; and/or
- Component(s) of the (legal) contract or of the combined (legal) contracts must be separated and accounted for separately.

Ageas may enter into a set or series of contracts with the same or a related counterparty and this set or series of contracts may achieve, or be designed to achieve, an overall commercial effect, thereby reflecting a single insurance contract in substance. In such case, the set or series of contracts is combined and treated as one insurance contract for accounting purposes. Ageas assesses on a contract-by-contract basis whether a set or series of (legal) contracts shall be combined.

An insurance contract may include one or more components that need to be separated from the host insurance contract and be accounted for applying another IFRS standard than IFRS 17. At contract inception, Ageas assesses on a contract-by-contract basis whether this might be the case. Examples of components that may require separation are:

- Not closely related embedded derivatives;
- Distinct investment components; and
- Promises to transfer distinct goods or services other than insurance contract services to a policyholder.

Embedded derivatives, such as interest rate options or options linked to an equity index, are separated from the host insurance contract when the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host insurance contract and when a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative.

Investment components are defined as the amounts that an insurance contract requires Ageas to pay to a policyholder in all circumstances, regardless of whether an insured event occurs. Investment components are separated from the host insurance contract when they are distinct, which is the case if both of the following conditions are met:

- The investment component and the insurance component are not highly interrelated. This is the case when the policyholder is able to benefit from one component irrespective of whether the other component is also present, e.g. because the lapse or maturity of one component in the contract does not cause the lapse or maturity of the other component, or because Ageas is able to price one component without considering the other component; and
- A contract with equivalent terms to those of the investment component is sold, or could be sold, separately in the same market or the same jurisdiction, either by Ageas or by other parties.

Separated embedded derivatives and distinct investment components are accounted for as if they were stand-alone financial instruments.

After separating any financial instrument components, Ageas separates from the host insurance contract any promise to transfer distinct goods or services, other than insurance contract services, to a policyholder (such as pension administration, risk management, assistance, asset management or custody services) and accounts for them as separate contracts with customers (i.e. not as insurance contracts), applying IFRS 15 'Revenue from contracts with customers'. A good or service is distinct if both of the following conditions are met:

- The cash flows and risks associated with the goods or services are not highly interrelated with those of the insurance components of the contract; and
- The policyholder can benefit from the goods or services on its own, or together with other resources that are readily available to the policyholder, e.g. because the goods or services are sold separately.

Hereafter, all references in this section 12 to embedded derivatives and to investment components refer to derivatives and investment components that have not been separated from the host insurance contract.

B.2 Transfer of significant insurance risk

For accounting purposes, a contract is classified and measured as an insurance contract if it transfers significant insurance risk from the holder to the issuer of the contract.

Ageas assesses on initial recognition of a contract whether significant insurance risk is transferred. No reassessment is performed subsequently, unless the terms of the contract are modified. In assessing whether significant insurance risk is transferred, Ageas considers the unit of account and all substantive rights and obligations arising from the contract, including those arising from law or regulation.

Insurance risk is deemed to be significant if, and only if, the insured event could cause the issuer of the contract (i.e. Ageas) to pay additional amounts that are significant in any scenario that has commercial substance. Ageas assesses this by comparing, on a present value basis, the benefits payable after the insured event occurred with the benefits payable if the insured event does not occur.

Reinsurance contracts are deemed to transfer significant insurance risk if they transfer to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts, irrespective of whether the reinsurer is exposed to the possibility of a significant loss.

In addition to significant insurance risk, insurance contracts may also expose Ageas to financial risk. Financial risk is the risk of a possible future change in one or more of the following variables: a specified interest rate, financial instrument price, commodity price, currency exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

B.3 Aggregation of insurance contracts

For presentation and measurement purposes, Ageas identifies portfolios and groups of insurance contracts.

A portfolio of insurance contracts includes contracts that are subject to similar risk and that are managed together. In assessing the 'similar risk' criterion, Ageas considers both the insurance risk and financial risk that is transferred from the policyholder to Ageas, but excludes risks that are created by the contracts such as lapse and expense risk. The 'managed together' criterion is assessed by considering how information is reported to the key management personnel of the associate or subsidiary of Ageas that issued the insurance contract (further referred to as 'issuing entity').

Portfolios of insurance contracts are identified at the level of the issuing entity. Examples of portfolios in the Non-Life business of Ageas are Accident, Health, Property, Motor… Upon initial recognition, insurance contracts are added to the applicable portfolio.

For measurement purposes, portfolios of insurance contracts are further divided into groups of insurance contracts. A group of insurance contracts is determined by first dividing the portfolio of insurance contracts into annual cohorts (e.g. by year of issue), to guarantee that each cohort does not include contracts that are issued more than one year apart.

Each annual cohort is then further divided into (a minimum of) three groups of insurance contracts, based on the expected profitability of the underlying contracts:

- A group of insurance contracts that are onerous on initial recognition, if any;
- A group of insurance contracts that on initial recognition have no significant possibility of becoming onerous subsequently, if any; and
- A group of the remaining insurance contracts, if any.

Issuing entities apply judgement to determine the group to which insurance contracts belong, using, amongst others, information used for pricing purposes, experiences on similar insurance contracts issued and estimates about the likelihood of changes in assumptions.

Insurance contracts that would fall into different groups only because law or regulation specifically constrains the practical ability of the issuing entity to set a different price or level of benefits for policyholders with different characteristics are included in the same group.

Ageas assesses the aggregation of reinsurance contracts held separately from the aggregation of insurance and reinsurance contracts it issued. In aggregating reinsurance contracts held, the same principles are applied as above, except that the references to onerous contracts are replaced with a reference to contracts on which there is a net gain on initial recognition.

When an insurance contract is initially recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group of insurance contracts to which future contracts can be added. The composition of a group of insurance contracts is not revised once no more contracts will be added to the group.

B.4 Contract boundary

Ageas uses the concept of ‘contract boundary’ to determine which cash flows are included in the measurement of a group of insurance contracts.

The contract boundary is determined for each unit of account that transfers significant insurance risk from the holder to the issuer of the contract. The unit of account may include renewal options and/or riders. Riders represent additional benefits to the policyholder at additional premiums.

In determining the applicable contract boundary of groups of (re)insurance contracts, Ageas considers the contractual terms, law or regulation and customary business practices in the jurisdiction in which the insurance contract has been issued. Restrictions that have no commercial substance do not bind Ageas and are therefore not considered. Consequently, the contract boundary is determined at the level of the issuing entity.

The contract boundary of a group of insurance contracts includes all cash flows that arise from substantive rights and obligations that exist during the reporting period in which Ageas can compel the policyholder to pay premiums or in which Ageas has a substantive obligation to provide insurance contract services to the policyholder.

The substantive obligation to provide insurance contract services to the policyholder ends when:

- Ageas has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects the risks of that policyholder; or
- Ageas has the practical ability to reassess the risks of the portfolio of insurance contracts that contains the particular contract and, as a result, can set a price or level of benefits that fully reflects the risks of that portfolio. The pricing of premiums up to the date when the risks are reassessed does not reflect the risks that relate to periods after the reassessment date.

In assessing its ability to reassess the risks, Ageas only considers insurance and/or financial risks that are transferred from the policyholder to Ageas.

For investment contracts with DPF, cash flows are included in the contract boundary if they result from a substantive obligation for Ageas to deliver cash at a present or future date.

Cash flows are within the contract boundary of a group of reinsurance contracts held if they arise from substantive rights and obligations that exist during the reporting period in which Ageas has the substantive obligation to pay amounts to the reinsurer and has a substantive right to receive services from the reinsurer. The substantive right to receive services from the reinsurer ends when:

- The reinsurer has the practical ability to reassess the risks that are transferred to the reinsurer and the reinsurer can set a price or level of benefits for the contract that fully reflects those reassessed risks; or
- The reinsurer has a substantive right to terminate the coverage.

Cash flows that are outside the contract boundary relate to future insurance contracts and are only recognised when those insurance contracts meet the recognition criteria.

B.5 Insurance acquisition cash flows

Insurance acquisition cash flows are cash flows that arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) and that are directly attributable to the portfolio of insurance contracts to which the group belongs. Therefore, insurance acquisition cash flows are included in the carrying amount of the related portfolio of insurance contracts issued.

Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis, considering, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort.

Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated to:

- That group; and
- To groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group.

Insurance acquisition cash flows that are not directly attributable to a group of contracts are allocated to groups of contracts in the portfolio or to groups of contracts that are expected to be in the portfolio.

The allocation of insurance acquisition cash flows related to expected renewals is based on how Ageas expects to recover those insurance acquisition cash flows in the future. Ageas revises the allocation of insurance acquisition cash flows at the end of each reporting period, to reflect any changes in assumptions that determine the inputs to the method of allocation used. Once no more contracts will be added to a group of insurance contracts, the amounts allocated to that group are not revised anymore.

If insurance acquisition cash flows arise before Ageas recognises the related insurance contracts in its statement of financial position, then Ageas recognises an asset reflecting those pre-recognition insurance acquisition cash flows. Such asset is recognised for each new group to which insurance acquisition cash flows will be allocated. The asset is derecognised in function of when the insurance acquisition cash flows are included in the measurement of the group of insurance contracts.

As an exception to the above, Ageas expenses pre-recognition insurance acquisition cash flows as incurred for insurance contracts that are measured applying the Premium Allocation Approach (PAA) and for which the coverage period of each contract in the group is one year or less at inception.

At the end of a reporting period, Ageas assesses the recoverability of the carrying amount of an asset for pre-recognition insurance acquisition cash flows. If facts and circumstances indicate that the asset may be impaired, Ageas reduces the carrying amount of the asset to the extent that the carrying amount of the asset does not exceed the expected net cash inflows of the other fulfilment cash flows of the related group on initial recognition and recognises an impairment loss in the income statement (as part of insurance service expenses) for the same amount. If the asset relates to a group of insurance contracts that includes expected future contract renewals, the asset for pre-recognition insurance acquisition cash flows should not exceed the expected net cash inflows of the other fulfilment cash flows of the group, including the expected renewals.

If the impairment conditions do no longer exist or have improved in a subsequent reporting period, Ageas increases the carrying amount of the recognised asset for pre-recognition insurance acquisition cash flows and reverses the previously recognised impairment loss in the income statement (as part of insurance service expenses), both to the extent of the improvement.

B.6 Other pre-recognition cash flows within the contract boundary

If Ageas pays or receives cash flows, other than insurance acquisition cash flows, before the related insurance contracts are recognised, Ageas recognises an asset or liability for cash flows related to those insurance contracts. Those cash flows relate to the group of insurance contracts in whose fulfilment cash flows they would have been included on initial recognition, if they had been paid or received after that date. Such pre-recognition cash flows are included in the carrying amount of the related portfolio of insurance contracts issued or the related portfolio of reinsurance contracts held.

B.7 Risk adjustment for non-financial risk

Ageas adjusts the present value of the estimates of future cash flows for all non-financial risks associated with fulfilling the insurance contract services under a group of insurance contracts. This adjustment is estimated separately from the other estimates related to the fulfilment of insurance contract services and is referred to as the risk adjustment for non-financial risk (further abbreviated to ‘risk adjustment’).

The risk adjustment reflects the compensation that the issuing entity requires for bearing the uncertainty about the amount and the timing of cash flows of groups of insurance contracts, that arise from non-financial risk. It covers insurance risk and other non-financial risks, such as lapse and expense risk. Non-financial risks that are not related to the fulfilment of the group of insurance contracts, such as general operational risk, are not covered by the risk adjustment.

Each issuing entity of Ageas estimates the risk adjustment at the level that reflects the entity’s degree of risk aversion and the degree of diversification benefit it includes when determining the compensation that it requires for bearing that risk. Consequently, the risk adjustment reflects an amount that the issuing entity would rationally require to remove the uncertainty that future outgoing cash flows will exceed the expected value amount.

The subsidiaries and most associates and joint ventures of Ageas apply the confidence level technique to derive the estimate for the risk adjustment. For the subsidiaries, the target confidence level for the risk adjustment is set at the 75th percentile. The associates and joint ventures determine the applicable confidence level based on their own insights and on practices in the local market. Subject to appropriate management level approval, the risk adjustment should include an allowance to adequately reflect emerging risks and uncertainties. No group diversification effects are applied. The estimated risk adjustment is allocated to each underlying group of insurance contracts.

In its European entities, Ageas derives the risk adjustment from relevant 1/200 shocks in the Solvency II reporting framework. The impact of each shock (calculated at current rates) is scaled down to the 75th percentile, assuming a normal probability distribution. Scenarios are combined using the core correlation matrix derived from Ageas' risk management and the Solvency II reporting framework to finally obtain the risk adjustment. The relevant shocks derived from the Solvency II reporting framework are:

- For Life products (scenario based): mortality, longevity, expense, lapse up, lapse down;
- For Health-similar-to-Life products (scenario based): mortality, longevity, expense, lapse up, lapse down, disability, revision;
- For Health-non-similar-to-Life (NSTL) products (factor based): premium risk and reserve risk;
- For Non-Life products (property and casualty, excluding workmen's compensation), the risk adjustment is based on the full probability distribution of internal models.

The risk adjustment obtained at current rate is expressed as a percentage of future cash outflows. This allows to disaggregate the change in the risk adjustment between the insurance service result and insurance finance income or expenses (i.e. the accounting policy taken by Ageas for presenting changes in the risk adjustment in most of its portfolios).

Some Asian associates and joint ventures of Ageas derive the risk adjustment from the insurance risk minimum capital, as calculated for regulatory purposes, and applying local risk appetite.

For reinsurance contracts held, Ageas determines the risk adjustment so that it represents the amount of risk that is transferred by Ageas to the reinsurer. Consequently, it is measured as the difference between:

- The risk adjustment calculated on the gross future cash flows of the group(s) of underlying insurance contracts issued (excluding reinsurance); and
- The risk adjustment calculated on the net future cash flows of the group(s) of underlying insurance contracts issued (including reinsurance).

B.8 Recognition

Ageas recognises groups of insurance contracts (other than investment contracts with DPF and reinsurance contracts held) in its statement of financial position from the earliest of:

- The beginning of their coverage period, which is the beginning of the period during which Ageas provides insurance contract services in respect of any premiums within the boundary of the contracts;
- The date when the first payment from a policyholder in the group becomes due, or when there is no due date, when the first payment from the policyholder is received; and
- When facts and circumstances indicate that the group of insurance contracts becomes onerous.

Ageas recognises groups of investment contracts with DPF in its statement of financial position when Ageas becomes party to the contract.

Ageas recognises groups of reinsurance contracts held in its statement of financial position on following dates:

- Quota-share or other reinsurance contracts held that provide proportionate coverage are recognised at the later of the date that any underlying insurance contract is initially recognised and the beginning of the coverage period of the group of reinsurance contracts purchased.
- Other reinsurance contracts held, such as excess-of-loss and stop-loss reinsurance contracts, are recognised at the date that the coverage period of the group of reinsurance contracts purchased begins. However, if Ageas recognises an onerous group of underlying insurance contracts before the date that the coverage period of the group of reinsurance contracts purchased begins, and the related reinsurance contract was purchased before that earlier date, then the group of reinsurance contracts purchased is recognised on that earlier date.

Insurance contracts that have been acquired in a transfer of insurance contracts that do not form a business or in a business combination, are recognised on the date of the transfer or acquisition transaction.

C. Measurement

C.1 Measurement approaches used

Ageas measures groups of insurance contracts applying the following measurement approaches:

- The General Measurement Model (GMM), also referred to as Building Block Approach (BBA);
- The Premium Allocation Approach (PAA); and
- The Variable Fee Approach (VFA).

General Measurement Model (GMM) / Building Block Approach (BBA)

Ageas applies the GMM to measure the carrying amount of the liability for remaining coverage (LRC) or asset for remaining coverage (ARC) of groups of insurance and reinsurance contracts that are not measured applying the PAA or the VFA (see below). Examples of such groups of contracts are:

- Groups of insurance contracts in its Non-Life business that, on initial recognition, do not fulfil one of the eligibility criteria for applying the PAA;
- Almost all groups of insurance contracts in its Life business in Belgium and in Portugal;
- Groups of insurance contracts in its Life business in Asia that are not measured applying the VFA; and
- Groups of reinsurance contracts that are not measured applying the PAA.

Ageas also applies the GMM to measure the carrying amount of the liability for incurred claims (LIC), irrespective of the measurement approach used for the measurement of the carrying amount of the LRC.

Premium Allocation Approach (PAA)
The PAA is an optional measurement approach that may be applied to measure the carrying amount of the ARC or the LRC if one of the following criteria is met at inception of a group of contracts:
- The coverage period of each insurance contract in the group is one year or less; or
- For groups of insurance contracts with a coverage period of more than one year, for which, based on multiple scenarios that Ageas reasonably expects to occur in future reporting periods during the coverage period of the group of insurance contracts, Ageas reasonably expects that measuring the carrying amount of the LRC applying the PAA will not result in a materially different outcome than measuring the same carrying amount of the LRC applying the GMM or the VFA.

The second criterion is not met if, at inception of the group, Ageas expects significant variability in the fulfilment cash flows that would affect the measurement of the LRC during the period before a claim is incurred.

The eligibility criteria for applying the PAA are assessed on initial recognition of a group of insurance contracts and are not reassessed subsequently, unless the contractual terms are subsequently modified in such a way that Ageas is required to derecognise the original insurance contract and to recognise a new insurance contract based on the modified contractual terms (see subsection E below).

Examples of groups of contracts that Ageas measures applying the PAA are:
- The majority of groups of insurance contracts in its Non-Life business that fulfil one of the eligibility criteria for applying the PAA on initial recognition;
- Some groups of insurance contracts in its Life business, for which the coverage period of each contract in the group is one year or less; and
- The majority of groups of reinsurance contracts held (both in its Life and Non-Life business).

Variable Fee Approach (VFA)
Ageas applies the VFA to measure the carrying amount of the LRC of insurance contracts with direct participation features.

Insurance contracts with direct participation features are insurance contracts that are substantially investment-related service contracts, under which Ageas shares an investment return on the underlying items with the policyholder. To be classified as insurance contract with direct participation features, all of the following criteria shall be met at inception:
- The contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- Ageas expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- Ageas expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

Ageas assesses whether a contract is an insurance contract with direct participation features at inception, using its expectations at that date. The three criteria are not reassessed subsequently, unless the contractual terms are modified subsequently in a such way that Ageas is required to derecognise the original insurance contract and to recognise a new insurance contract based on the modified contractual terms (see subsection E below).

In assessing whether a contract is an insurance contract with direct participation features, Ageas considers the law or regulation and the customary business practices in the jurisdiction in which the insurance contract has been issued. To be classified as an insurance contract with direct participation features, the contract should specify the enforceable relationship between the underlying items, that determine some of the amounts payable to the policyholder, and the share of fair value (returns) of those underlying items that are payable to the policyholder. Ageas is not required to hold all the underlying items.

At inception of an insurance contract, Ageas exercises judgement in assessing its expectations on the amounts payable to the policyholder over the entire coverage period of the insurance contract. These expectations are based on a probability-weighted average of multiple scenarios that are reasonably expected to occur during the coverage period of the insurance contract and consider both the guaranteed amounts payable to the policyholder and the amounts over which Ageas has discretion.

Ageas issues insurance contracts with direct participation features in its Life business in France and in its Life business in its associates and joint ventures in Asia.

Reinsurance contracts cannot be classified as insurance contracts with direct participation features. Consequently, the carrying amount of the LRC of a group of reinsurance contracts is measured applying either the GMM or the PAA.

C.2 Initial measurement – groups of insurance contracts not measured applying the PAA

On initial recognition, Ageas measures a group of insurance contracts as the total of:

- The fulfilment cash flows, which comprise current estimates of future cash flows within the contract boundary, adjusted to reflect the time value of money and associated financial risks, and a risk adjustment; and
- The contractual service margin (CSM), representing the unearned profit that Ageas will recognise as it provides services under the insurance contracts in the group.

If a group of insurance contracts is non-profitable, the group of insurance contracts is considered as onerous and a CSM of zero is recognised.

The fulfilment cash flows of a group of insurance contracts issued by Ageas do not reflect the risk of non-performance by Ageas.

Estimates of future cash flows

Estimates of future cash flows include all directly attributable future cash inflows, such as the collection of premiums, and directly attributable future cash outflows, such as the pay-out of claims, benefits and expenses, that are within the boundary of each insurance contract in the group.

Future cash flows relate to activities that are required to fulfil the services provided by the insurance contract. Cash outflows that are not directly attributable to a portfolio of insurance contracts are not part of the estimates of future cash flows and are recognised in other operating expenses as incurred.

Estimates of future cash outflows are not limited to acquisition costs, costs relating to claims handling, policy administration and maintenance costs (including an allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts), taxes or levies specifically chargeable to the policyholder under the contractual terms, but also include cash outflows that Ageas incurs by providing investment-return or investment-related services, to the extent that those activities generate an investment return from which policyholders will benefit when an insured event occurs.

The main characteristics of estimates of future cash flows are:

- They are current, reflecting the conditions that exist at the measurement date and including assumptions about the future that are available on the same date;
- They incorporate, in an unbiased way, all reasonable and supportable internal and external information available at the measurement date about the amount, timing and uncertainty of future cash flows;
- They reflect a probability-weighted average of multiple scenarios that are reasonably expected to occur during the coverage period of the group of contracts; and
- They reflect the perspective of Ageas, provided that estimates of any relevant market variables are consistent with observable market prices for those variables.

The subsidiaries of Ageas use a similar cash flow and valuation modelling under IFRS 17 as the models used under Solvency II. For the products in scope of the GMM, the fixed cash flows are modelled on a contract-by-contract basis. Next, these projected cash flows are grouped in meaningful model points. The cash flows related to these model points are stochastically projected to derive the variable cash flows and the option adjusted value (at total portfolio level or for a group of new business). Both the cash flows and valuation capture the dependency to risk neutral variable movements (e.g. interest rates, share price movements, real estate valuation). Finally, the variable cash flows are allocated to the groups of contracts recognised under IFRS 17.

The Model Control Board of Ageas oversees and validates the methods and processes used for the projection and valuation of cash flows. Any changes in the methods and processes for estimating inputs used to measure contracts, the reason for each change, and the type of contracts affected are documented and validated.

Each issuing entity of Ageas individually develops, by product type, assumptions about insurance underwriting risks that it uses in its best estimate of future cash outflows, reflecting recent experience and the profile of policyholders in a group of insurance contracts.

Assumptions used on mortality/longevity, morbidity and lapse and surrender rate are developed using a blend of national mortality data, industry trends and the local entity's recent experience. Experience is monitored through regular studies, the results of which are reflected both in the pricing of new products and in the measurement of existing contracts.

If the issuing entity estimates future cash flows at a higher level than the level of a group of insurance contracts, then those estimates are allocated in a systematic way to the respective groups of insurance contracts.

In Non-Life, the LIC is estimated by using a range of standard actuarial claim projection techniques, such as the chain ladder method. The main assumption underlying these techniques is that an entity's past claims development experience can be used to project future claims development and hence ultimate claims costs. Qualitative judgement is used to assess the extent to which past trends may not apply in the future (e.g. levels of claim inflation, changes in external market factors such as public attitudes to claiming, judicial decisions and legislation). These methods extrapolate the development of paid and incurred claims, average costs per claim (including claim handling costs) and claim numbers based on the observed development of earlier years and expected loss ratios. Each issuing entity analyses historical claims development by accident years as well as by insurance portfolio and type of claim. Large claims are usually estimated separately. Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of the ultimate claim costs.

Discounting estimates of future cash flows

Ageas adjusts estimates of future cash flows of a group of insurance contracts using current discount curves, to reflect the time value of money and the financial risks related to those future cash flows, to the extent that financial risks are not included in the estimates of future cash flows. Ageas exercises judgement in determining the applicable discount curves.

The main characteristics of discount curves used are:

- They reflect the time value of money, the characteristics of future cash flows and the liquidity characteristics of the insurance contracts;
- They are consistent with observable market prices (if any) for financial instruments with cash flows whose characteristics are consistent with those of the insurance contracts, in terms of timing, currency, liquidity, …; and
- They exclude the effect of factors that influence such observable market prices but that do not affect the future cash flows of the insurance contracts.

The subsidiaries of Ageas determine the applicable discount curves applying the top-down approach whereas the associates and joint ventures of Ageas apply the bottom-up approach.

Under the top-down approach, the discount curves are determined based on the yield curve that reflects the current market rates of return implicit in the fair value measurement of the asset portfolio of the issuing entity, adjusted to eliminate any factors that are not relevant to the insurance contracts issued by that entity. As an example, an issuing entity eliminates the effect of credit risk by applying existing methodologies, such as the methodology used for calculation of the fundamental spread under Solvency II pillar 2.

The actual asset allocation at portfolio level is considered to represent the best possible reference portfolio to be used. The interaction between assets and liabilities will allow to derive the characteristics of the cash flows, the liquidity characteristics of the insurance contracts and the risk limits (i.e. the risk appetite). The discount curve derived from the asset portfolio will be adjusted for the fundamental spread (i.e. expected loss model) using the calculation techniques developed under Solvency II pillar 2. To capture in the most appropriate way the returns on fixed income assets beyond a certain point in time, the same ultimate forward rate (UFR) is used under IFRS 17 as under Solvency II.

Under the bottom-up approach, the discount curves are determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows. Risk-free rates are determined by reference to home market swap rates or the yields of government bonds. Management uses judgement to assess the liquidity characteristics of the liability cash flows.

For both the bottom-up and the top-down approaches, the yield curve is interpolated between the last available market data point and an ultimate forward rate.

The table below includes the discount rates used to discount the cash flows of insurance contracts by geographical region.

31 December 2023	Belgium	Portugal	UK	India	Reinsurance
1 year	3.65%	3.67%	4.92%	7.12%	2.58%
5 years	2.62%	2.68%	3.07%	7.12%	2.51%
10 years	2.69%	2.74%	3.68%	7.30%	2.67%
15 years	2.76%	2.81%	3.81%	7.24%	2.85%
20 years	2.70%	2.75%	3.69%	7.06%	2.93%
30 years	2.79%	2.76%	2.92%	6.70%	3.07%

31 December 2022	Belgium	Portugal	UK	India	Reinsurance
1 year	3.41%	3.51%	4.61%	6.81%	3.60%
5 years	3.37%	3.50%	3.75%	7.26%	3.54%
10 years	3.33%	3.50%	3.52%	7.40%	3.88%
15 years	3.26%	3.42%	3.58%	7.33%	4.17%
20 years	3.00%	3.16%	3.32%	7.13%	4.25%
30 years	2.93%	3.06%	3.17%	6.75%	4.21%

Cash flows that vary based on the return of underlying financial items are adjusted for the effect of that variability using risk-neutral measurement techniques and are discounted using the risk-free rate, adjusted for illiquidity.

IFRS 17 does not require an entity to divide estimated cash flows into those that vary based on the returns on the underlying items and those that do not. If an entity does not divide the estimated cash flows in such a way, the entity shall apply discount rates that are appropriate for the estimated cash flows as a whole. Ageas has elected to use blended rates both on the fixed cash flows and on the certainty equivalent variable cash flows (fulfilment cash flows) of a single group of insurance contracts.

For most of its portfolios of insurance contracts, Ageas has elected to disaggregate insurance finance income or expenses into amounts presented in profit or loss and amounts presented in other comprehensive income (OCI). Ageas determines the insurance finance income or expenses recognised in the income statement by using a so-called accretion rate.

Following accretion rate is applied at future measurement dates:

- For fulfilment cash flows for which there is no substantial asset dependency, the locked-in rate on initial recognition is applied.
- For fulfilment cash flows for which there is a substantial asset dependency, the 'constant rate / effective yield' approach or 'projected crediting rate' approach is applied. For groups of insurance contracts that are characterised by a crediting rate (i.e. a guaranteed rate increased with a periodic profit sharing), Ageas will apply the projected crediting rate increased with a margin. IFRS 17 explicitly allows an entity to use the amounts expected to be credited in the period and expected to be credited in future periods ('actual crediting rate'). Therefore, for the past period, Ageas adjusts the insurance finance expenses for the difference between the projected credit rate at the start of the period and the actual crediting rate ('provisioned') over the period.

Contractual Service Margin (CSM)

The CSM is a component of the LRC that results in no income or expenses being recognised at the date of initial recognition of a group of insurance contracts (unless the group is onerous on that date). The CSM represents the unearned revenue that Ageas expects to recognise over the remaining duration of coverage of the group of insurance contracts as it provides the insurance contract services promised under the insurance contracts in that group.

The CSM is measured at the level of a group of insurance contracts. On initial recognition of a group of insurance contracts, Ageas measures the CSM of the group as the equal and opposite amount of the net inflow of the following:

- The risk-adjusted present value of the fulfilment cash flows relating to future services allocated to the insurance contracts in the group;
- Any cash flows arising from insurance contracts in the group at that date; and
- Any amounts arising from the derecognition at that date of any asset for pre-recognition insurance acquisition cash flows and any other asset or liability recognised before initial recognition of the group.

If the sum of the above results in a net outflow on the date of initial recognition of a group of insurance contracts, then the group is onerous and no CSM is recognised.

Onerous contracts
Groups of insurance contracts are onerous at the date of their initial recognition if the sum of the risk-adjusted present value of the expected cash flows to fulfil the insurance contracts in the group, any cash flows arising from the insurance contracts in the group at that date and any insurance acquisition or other cash flows incurred before the recognition of the group of insurance contracts result in a net outflow.

Ageas aggregates and measures groups of insurance contracts that are onerous at the date of their initial recognition separately from insurance contracts that are not onerous at that date.

For a group of insurance contracts that is onerous, Ageas recognises the following for the amount of the net outflow of the group:
- A loss component of the LRC; and
- A loss in the income statement (part of insurance service expenses).

The loss component of the LRC is a component of the fulfilment cash flows of that group. The CSM of a group of onerous insurance contracts is zero.

Insurance contracts acquired in a transfer of contracts or in a business combination
Ageas measures a group of insurance contracts it acquired in a transfer of contracts or in a business combination using the same measurement approaches as those that are used for measuring groups of insurance contracts it issued. The criteria for classifying contracts as insurance contracts with direct participation features and the eligibility criteria for applying the PAA are assessed at the date of the acquisition transaction.

On initial recognition of a group of insurance contracts acquired, Ageas determines the CSM of the group by using the consideration received (or consideration paid for acquired reinsurance contracts), as a proxy for the premiums received. The consideration received or paid excludes the consideration paid or received for any other assets and liabilities that were acquired in the same transaction.

In a business combination, the consideration received or paid is considered to be the fair value at the acquisition date of the group of insurance contracts acquired.

A group of insurance contracts acquired is onerous on initial recognition if the fulfilment cash flows of the group exceed the consideration received. In this case, Ageas establishes a loss component of the LRC for the excess and recognises the net outflow as follows:
- For insurance contracts acquired in a business combination, as part of goodwill or gain on a bargain purchase.
- For insurance contracts acquired in a transfer of contracts, in the income statement.

At the date that Ageas acquires a group of insurance contracts in a transfer of contracts that do not form a business or in a business combination, Ageas recognises an asset for insurance acquisition cash flows at its fair value for the rights to obtain:
- Renewals for insurance contracts that have been recognised at the date of the acquisition transaction and for which the acquiree has already paid acquisition cash flows; and
- Other insurance contracts that will be issued after the acquisition date, and for which the acquiree has already paid acquisition cash flows that are directly attributable to the related portfolio of insurance contracts.

C.3 Subsequent measurement – groups of insurance contracts not measured applying the PAA

The carrying amount of a group of insurance contracts at a reporting date is the sum of the LRC, including any CSM or loss component, and the LIC.

The liability for remaining coverage (LRC) represents the obligation for Ageas to:
- Investigate and pay valid claims under existing insurance contracts for insured events that have not yet occurred (i.e. the obligation that relates to the unexpired portion of the insurance coverage); and
- Pay amounts under existing insurance contracts that are not included in the obligation above and that relate to the future provision of insurance contract services, or to any investment components or other amounts that are not related to the provision of insurance contract services and that have not been transferred to the LIC.

The carrying amount of the LRC of a group of insurance contracts is the sum of the fulfilment cash flows and any remaining CSM at that date (unless the group is onerous), using the same measurement approach as used on initial recognition of the group of insurance contracts.

Changes in the estimates of fulfilment cash flows in the LRC are accounted for as follows:
- Changes that relate to current or past services are recognised in the income statement as insurance service expenses;
- Changes that relate to future services are recognised as an adjustment of the CSM or, for onerous contracts, as an adjustment of the loss component of the LRC; and
- Changes in fulfilment cash flows that arise from the effects of the time value of money and other financial risks, and changes therein, are recognised as insurance finance income or expenses.

The liability for incurred claims (LIC) represents the obligation for Ageas to:

- Investigate and pay valid claims for insured events that have already occurred, including events that have occurred but for which claims have yet not been reported, and other incurred insurance expenses; and
- Pay amounts that are not included in the obligation above and that relate to insurance contract services that have already been provided, or to any investment components or other amounts that are not related to the provision of insurance contract services and that are not included in the LRC.

The carrying amount of the LIC of a group of insurance contracts includes the amount of fulfilment cash flows relating to incurred claims and expenses that have not yet been paid. Those fulfilment cash flows are discounted for the effect of time value of money and financial risk, using current curves. The LIC also includes an explicit risk adjustment.

The fulfilment cash flows of groups of insurance contracts are remeasured at each reporting date, using current estimates of future cash flows, current discount curves and current estimates of the risk adjustment.

The carrying amount of groups of insurance contracts that are recognised in these consolidated financial statements is measured applying the year-to-date method.

CSM – groups of insurance contracts measured applying the GMM
The CSM of a group of insurance contracts is updated at each reporting date to reflect changes in the unearned profit that Ageas expects to recognise over the remaining duration of coverage of the group. At each reporting date, the carrying amount of the CSM of a group is the amount of the CSM at the beginning of that reporting period, adjusted for the following:

- The CSM of any new insurance contracts that have been added to the group during the reporting period;
- Interest accretion on the carrying amount of the CSM in the reporting period, measured using locked-in discount curves on nominal cash flows that do not vary based on the returns on any underlying items;
- Any changes in fulfilment cash flows in the LRC that relate to future services (see just below), to the extent that the group of insurance contracts is not onerous;
- The effect of any currency exchange differences on the CSM, if applicable; and
- The amount of insurance revenue recognised in the income statement of the reporting period, reflecting the insurance contract services provided during that period. Ageas determines this adjustment after all other adjustments above.

Following changes in the fulfilment cash flows in the LRC relate to future services:

- Experience adjustments arising from premiums received during the reporting period and any related cash flows, such as insurance acquisition cash flows, that relate to future services;
- Changes in estimates of the present value of future cash flows in the LRC, except for changes that arise from the effects of the time value of money, financial risk, and changes therein;
- Differences between the amount of any non-separated investment component that is expected to become payable in the reporting period, determined as the payment expected at the beginning of the period plus any insurance finance income or expenses related to that payment before it becomes payable, and the actual amount that becomes payable during the period;
- Differences between the amount of any loan to a policyholder that is expected to become repayable in the reporting period and the actual amount that becomes repayable during the period;
- Changes in the risk adjustment that relate to future services; and
- Changes in cash flows to policyholders over which the issuing entity has some discretion regarding the amount or timing. At inception of the insurance contract, the issuing entity specifies the basis over which it expects to determine its commitment to the policyholder.

The adjustments to the CSM, resulting from changes in fulfilment cash flows as detailed above, are measured using discount curves determined on initial recognition of the group of contracts.

A group of insurance contracts becomes onerous if unfavourable changes relating to future services, arising from changes in the estimates of future cash flows in the LRC for that group or from changes in the risk adjustment, exceed the (existing) carrying amount of the CSM of that group of insurance contracts. In such case, the CSM is reduced to zero and Ageas recognises the following for the excess:

- A loss component of the LRC; and
- A loss in the income statement (insurance service expenses).

For groups of insurance contracts that are onerous at the beginning of the reporting period:

- Any unfavourable changes in the fulfilment cash flows in the LRC, that relate to future services, will increase the loss component of the LRC and will result in the recognition of an additional loss in the income statement for the same amount (part of insurance service expenses);

- Any favourable changes in the fulfilment cash flows in the LRC, that relate to future services, are accounted for as follows:
  - If the favourable change arises from changes in the estimates of future cash flows or from changes in the risk adjustment relating to future service, the change is allocated to the loss component of the LRC until it is reduced to zero;
  - If the favourable change arises from changes in the estimates of future cash flows for claims and expenses released from the LRC because of incurred service expenses or from changes in the risk adjustment recognised in profit or loss because of the release from risk, the change is allocated on a systematic basis to the loss component of the LRC and the LRC excluding loss component.

Consequently, Ageas excludes favourable changes relating to future services from insurance revenue in the income statement and recognises such changes as a reversal of previously recognised losses (as negative insurance service expenses), to the extent of the remaining loss component. Ageas reinstates a CSM if favourable changes relating to future services exceed the carrying amount of the remaining loss component.

CSM – groups of insurance contracts measured applying the VFA

The subsequent measurement of a group of insurance contracts with direct participation features reflects the fact that under those contracts Ageas is obliged to pay to the policyholders an amount equal to the fair value (returns) of the underlying items, less a variable fee for future services. The variable fee for future services comprises Ageas' share of the fair value (returns) of the underlying items – being Ageas' remuneration for the investment-related services provided – less the fulfilment cash flows in the LRC that do not vary with the fair value (returns) of the underlying items.

Ageas recognises any changes in its obligation to pay to the policyholders an amount equal to the fair value (returns) of the underlying items in the income statement or in OCI, just the same way as changes in fair value on most underlying items are recognised.

Any changes in Ageas' share of the fair value (returns) of the underlying items adjust the CSM of the group, unless the group of insurance contracts is or becomes onerous.

At each reporting date, the carrying amount of the CSM of a group of insurance contracts with direct participation features is the amount of the CSM at the beginning of that reporting period, adjusted for the following:

- The CSM of any new insurance contracts that have been added to the group during the reporting period;
- Any changes in Ageas' share of the fair value (returns) of the underlying items, to the extent that the group of insurance contracts is not onerous and except to the extent that Ageas has applied the risk mitigation option, to exclude from the CSM changes in the effect of the time value of money and financial risk on the amount of its share of the underlying items or fulfilment cash flows;
- Any changes in the fulfilment cash flows in the LRC that relate to future services (see just below), to the extent that the group of contracts is not onerous;
- The effect of any currency exchange differences on the CSM, if applicable; and
- The amount of insurance revenue recognised in the income statement of the reporting period, reflecting the insurance contract services provided during that period. Ageas determines this adjustment after all other adjustments above.

For groups of insurance contracts with direct participation features, the following changes in the fulfilment cash flows in the LRC relate to future services:

- The changes in the fulfilment cash flows that relate to future services, as specified above for groups of insurance contracts measured applying the GMM, excluding changes in the discretionary cash flows to policyholders; and
- The changes in the effect of the time value of money and financial risks that do not arise from underlying items, including e.g. the effect of financial guarantees.

The adjustments to the CSM, resulting from changes in fulfilment cash flows as detailed above, are measured using current discount curves.

A group of insurance contracts with direct participation features may become onerous in a subsequent reporting period. Also, may groups that are onerous at the beginning of the reporting period become more or less onerous. Ageas applies the same principles to those groups of contracts as it applies for groups of insurance contracts that are measured applying the GMM i.e.:

- The CSM is reduced to zero; and
- Ageas recognises a loss component of the LRC and a loss in the income statement (part of insurance service expenses), reflecting the net outflow.

C.4 Initial measurement – groups of insurance contracts measured applying the PAA

For groups of insurance contracts that are measured applying the PAA and that are not onerous on initial recognition, Ageas measures the carrying amount of the LRC on initial recognition at an amount equal to:

- The amount of premiums received on initial recognition;
- Adjusted for any insurance acquisition cash flows that are not expensed as incurred and that are allocated to the group of insurance contracts at that date;
- Adjusted for amounts arising from the derecognition of any asset for pre-recognition insurance acquisition cash flows that are not expensed as incurred and any other pre-recognition cash flows that relate to the group at that date.

If the coverage period of each insurance contract in a group is one year or less at inception, Ageas expenses any insurance acquisition cash flows as incurred. Consequently, those insurance acquisition cash flows are not included in the carrying amount of the LRC. For other groups of insurance contracts, the insurance acquisition cash flows are deferred and are recognised over the coverage period of the insurance contracts in the group.

For groups of insurance contracts that include a significant financing component, Ageas adjusts the carrying amount of the LRC for the effect of time value of money and financial risk, by discounting the expected cash flows using discount curves determined on initial recognition.

Ageas expects that a group of insurance contracts that is measured applying the PAA is not onerous, unless facts and circumstances indicate the contrary. Ageas assesses whether such a group of insurance contracts could be onerous on initial recognition or could become onerous subsequently using information provided by its internal reporting system, including amongst others a combined ratio that is modified based on the requirements in IFRS 17 and that excludes the effect of reinsurance.

If the assessment above reveals that a group of insurance contracts could be or could become onerous, then Ageas increases the carrying amount of the LRC, measured applying the PAA, to the amount of the discounted fulfilment cash flows, measured applying the GMM. Ageas also recognises a loss in the income statement (part of insurance service expenses) equal to the increase in the carrying amount of the LRC.

C.5 Subsequent measurement – groups of insurance contracts measured applying the PAA

In a subsequent reporting period, the carrying amount of the LRC of a group of insurance contracts that is measured applying the PAA is the amount at the beginning of that reporting period, adjusted for:

- Any premiums received during the reporting period;
- Any insurance acquisition cash flows that are not expensed as incurred and that are allocated to the reporting period;
- Amounts arising from the derecognition of any asset for pre-recognition insurance acquisition cash flows that are not expensed as incurred and any other pre-recognition cash flows allocated to the reporting period;
- Any adjustments to the financing component (including interest accretion, using locked-in discount curves), if applicable;
- The amount of insurance revenue recognised in the income statement of the reporting period, reflecting the insurance contract services provided during that period;
- Any investment component paid or transferred to the LIC.

At the end of a subsequent reporting period, Ageas assesses whether a group of insurance contracts has become or still is onerous, applying the same methodology as on initial recognition. If necessary, the carrying amount of the LRC is adjusted. This assessment may result in a (partial) reversal of a previously recognised loss component.

The carrying amount of the LIC of a group of insurance contracts includes the amount of the risk-adjusted discounted fulfilment cash flows, discounted at current rates, relating to incurred claims and claims expenses that have not yet been paid.

D. Measurement of reinsurance contracts held

Ageas measures and presents groups of reinsurance contracts it purchased (‘reinsurance contracts held’) separately from groups of insurance contracts it issued. Except for the differences stated below, Ageas measures groups of reinsurance contracts held using the same accounting policies as those applied to groups of insurance contracts issued.

The carrying amount of a group of reinsurance contracts held at a reporting date is the sum of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC).

The carrying amount of the ARC of a group of reinsurance contracts held is measured applying either the GMM or the PAA.

The carrying amount of the AIC of a group of reinsurance contracts held represents the risk-adjusted present value of the fulfilment cash flows of incurred claims that Ageas has not yet received from the reinsurer.

D.1 Measurement of the ARC applying the GMM

The carrying amount of the ARC of a group of reinsurance contracts held at the reporting date is the sum of the risk-adjusted present value of the fulfilment cash flows that relate to the services that Ageas will receive under the reinsurance contracts held and any remaining CSM at that date.

Estimates of future cash flows of a group of reinsurance contracts held include all future cash inflows, such as claim recoveries and other benefits, and cash outflows, such as ceded premiums and broker fees due, that are within the boundary of the group of reinsurance contracts held.

Ageas measures estimates of the present value of expected future cash flows of groups of reinsurance contracts held using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows of the group(s) of underlying insurance contracts issued. In addition, Ageas adjusts these estimates for the effect of any risk of non-performance by the reinsurer that issued the contract(s). The risk of non-performance by the reinsurer is reassessed at each reporting date, and the effect of changes in this risk is recognised in the income statement (as part of net income or expenses from reinsurance contracts).

On the date of initial recognition of a group of reinsurance contracts held, the CSM of that group represents the net cost or net gain on purchasing the reinsurance coverage. Ageas recognises the net cost or net gain on purchasing reinsurance coverage as a reinsurance expense over the coverage period of the group of reinsurance contracts held, as Ageas benefits from the services under those contracts, unless the net cost on purchasing reinsurance coverage relates to events that have occurred before Ageas purchased the group of reinsurance contracts, in which case Ageas recognises the net cost directly in its income statement.

When Ageas recognises a loss on initial recognition of an onerous group of underlying insurance contracts issued, or when adding onerous underlying insurance contracts to an existing group of insurance contracts issued results in a loss, then Ageas adjusts the CSM of the group of reinsurance contracts held by recognising income in the income statement (part of net income or expenses from reinsurance contracts) and a loss-recovery component of the asset for remaining coverage for the same amount.

Ageas determines the loss-recovery component of the asset for remaining coverage by multiplying:
- The loss that relates to the underlying insurance contracts issued; and
- The percentage of claims on the underlying insurance contracts issued that Ageas expects to recover from the reinsurance contracts.

The loss-recovery component of the ARC reflects the amounts that Ageas subsequently presents in the income statement (as part of net income or expenses from reinsurance contracts) as reversals of recoveries of losses. Those amounts are excluded from the allocation of premiums paid to the reinsurer.

On the date of initial recognition, Ageas measures the CSM of a group of reinsurance contracts held as the equal and opposite amount of:
- The risk adjusted (including an adjustment for the effect of any risk of non-performance) present value of fulfilment cash flows relating to future services allocated to the reinsurance contracts held in the group;
- Any amounts arising from the derecognition of any asset or liability for pre-recognition cash flows relating to the group;
- Any cash flows arising from the reinsurance contracts held in the group; and
- Any income recognised, because Ageas recognised a loss on initial recognition of an onerous group of underlying insurance contracts issued.

At a subsequent reporting date, Ageas measures the CSM of a group of reinsurance contracts held as the amount of the CSM of the group at the beginning of the reporting period, adjusted for:
- The CSM of any new reinsurance contracts held that have been added to the group during the reporting period;
- Interest accretion on the carrying amount of the CSM in the reporting period, measured using locked-in discount curves;
- Any changes in the risk adjusted (including an adjustment for the effect of any risk of non-performance) present value of fulfilment cash flows in the ARC that relate to future services, measured using locked-in discount curves, unless those changes result from changes in the fulfilment cash flows of an onerous group of underlying insurance contracts issued or from the addition of onerous underlying insurance contracts to an existing group of insurance contracts issued that results in a loss, in which case Ageas recognises those changes in the income statement and creates or adjusts the loss-recovery component of the ARC;
- Any reversal of the loss-recovery component of the ARC, other than changes in the fulfilment cash flows of the group of reinsurance contracts held;
- The effect of any currency exchange differences on the CSM, if applicable; and
- The amount of reinsurance expense recognised in the income statement of the reporting period, reflecting the reinsurance coverage services received in that period. Ageas determines this adjustment after all other adjustments above.

If a group of reinsurance contracts held only covers some of the contracts included in an onerous group of underlying insurance contracts issued, then Ageas uses a systematic and rational method to determine which portion of the losses, that Ageas recognised on the onerous group of underlying insurance contracts issued, relates to contracts that are covered by the group of reinsurance contracts held.

D.2 Measurement of the ARC applying the PAA

On initial recognition, the ARC of a group of reinsurance contracts held equals:

- The amount of ceding premiums paid on initial recognition;
- Plus, brokerage fees paid to a party other than the reinsurer;
- Adjusted for amounts arising from the derecognition of any pre-recognition cash flows that relate to the group at that date.

The ARC of a group of reinsurance contracts held is subsequently measured as the amount of the ARC at the beginning of the reporting period, adjusted for:

- Ceding premiums paid during the reporting period;
- Brokerage fees paid during the reporting period;
- The amount of reinsurance expense recognised in the income statement of the reporting period, reflecting the reinsurance coverage services received in that period.

Both on initial recognition and at each subsequent reporting date, the carrying amount of the ARC of a group of reinsurance contracts held is adjusted to reflect the risk of non-performance of the reinsurer.

For a group of reinsurance contracts held that is measured applying the PAA, Ageas recognises a loss-recovery component of the ARC by directly adjusting the ARC of the group.

E. Modification and derecognition of an insurance contract

Ageas derecognises an insurance contract from its statement of financial position when:

- The insurance contract is extinguished because the obligation specified in the insurance contract expires or is discharged or cancelled;
- The contractual terms are modified in such a way that IFRS 17 requires Ageas to derecognise the original insurance contract and to recognise a new insurance contract based on the modified contractual terms.

Ageas derecognises an existing insurance contract and recognises a new insurance contract if it concludes the following based on the modifications in its contractual terms:

- If the modified terms had been included at contract inception:
  - The contract would not be in the scope of IFRS 17;
  - A different contract would have been recognised because different components would have been separated;
  - The contract would have a substantially different contract boundary; or
  - The contract would have been included in a different group of insurance contracts.
- The original contract met the definition of an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa; or
- The original insurance contract was measured applying the PAA, but the modifications imply that the insurance contract no longer meets the eligibility criteria for applying the PAA.

If a new contract is recognised based on the modified contractual terms and it falls in the scope of IFRS 17, then the new contract is recognised from the date of the modification of the contractual terms. The requirements on unit of account, aggregation of contracts for presentation and measurement, eligibility criteria for a contract to be classified as an insurance contract with direct participation features and eligibility criteria for measuring an insurance contract applying the PAA shall be assessed at the date of modification of the contractual terms.

Modifications in contractual terms that do not require Ageas to derecognise the original insurance contract and to recognise a new insurance contract, e.g. due to an agreement with counterparties or by a change in regulation, are treated as changes in estimates of fulfilment cash flows in the LRC.

The exercise of a right included in the original contractual terms is not a contract modification.

When an insurance contract is derecognised from a group of insurance contracts that is not measured applying the PAA, then Ageas adjusts:

- The fulfilment cash flows allocated to the group of insurance contracts, to eliminate the present value of future cash flows and the risk adjustment relating to the rights and obligations that have been derecognised from the group of insurance contracts;
- The CSM of the group of insurance contracts, except where the decrease of the fulfilment cash flows is allocated to a loss component; and
- The number of coverage units for expected remaining insurance contract services, to reflect the number of coverage units derecognised from the group of insurance contracts.

When an insurance contract is derecognised because it is transferred to a third party, then the CSM of the group from which the insurance contract has been derecognised is adjusted for the difference between the change in carrying amount of the group following the derecognition of the contract and the premium charged by the third party, unless the group of insurance contracts is onerous.

When an insurance contract is derecognised and a new insurance contract is recognised because its contractual terms are modified, then the CSM of the group from which the insurance contract has been derecognised is adjusted for the difference between the change in carrying amount of the group following the derecognition of the contract and the premium that Ageas would have charged if it had entered into an insurance contract with equivalent terms as the new contract at the date of contract modification, less any additional premium charged for the modification.

When an insurance contract is derecognised from a group of insurance contracts that is measured applying the PAA and a new insurance contract is recognised because its contractual terms are modified, the insurance revenue of the concerned groups of insurance contracts is adjusted prospectively from the date of the contract modification, to remove the related rights and obligations under the derecognised contract and to recognise the related rights and obligations under the modified contract.

F. Presentation in the statement of financial position and presentation of income and expenses

In the statement of financial position, the carrying amounts of following portfolios of contracts are presented separately:

- Insurance and reinsurance contracts issued that are in an asset position, further referred to as 'Life / Non-Life insurance contract assets' in the statement of financial position of Ageas;
- Insurance and reinsurance contracts issued that are in a liability position, further referred to as 'Life / Non-Life insurance contract liabilities' in the statement of financial position of Ageas;
- Reinsurance contracts held that are in an asset position, further referred to as 'Reinsurance contract assets' in the statement of financial position of Ageas; and
- Reinsurance contracts held that are in a liability position, further referred to as 'Reinsurance contract liabilities' in the statement of financial position of Ageas.

The carrying amount of a portfolio of insurance contracts includes any asset or liability recognised for cash flows that arise before the recognition of any contracts that are part of the portfolio.

Income and expenses from insurance and reinsurance contracts are allocated between the income statement and OCI into:

- Insurance service result, comprising:
  - Insurance revenue;
  - Insurance service expenses; and
  - Net income or expenses from reinsurance contracts held; and
- Insurance finance income or expenses.

Insurance revenue and insurance service expenses recognised exclude any investment components.

Income or expenses from reinsurance contracts held, other than insurance finance income or expenses, are presented on a net basis as 'Net result from reinsurance contracts held' in the insurance service result.

F.1 Insurance revenue

Ageas recognises insurance revenue as it provides insurance contract services to the policyholders for the groups of insurance contracts it issued.

Insurance contract services include the following services that Ageas provides to the policyholders of insurance contracts:

- Insurance coverage: Ageas stands ready to pay valid claims that arise within the coverage period of a contract;
- Investment-return service: Ageas generates an investment return for the policyholder of an insurance contract without direct participation features; and
- Investment-related service: Ageas manages the underlying assets of an insurance contract with direct participation features on behalf of the policyholder of the contract.

For insurance contracts without direct participation features, the insurance contract services provided to the policyholders during the coverage period include both insurance coverage and investment-return services.

For insurance contracts with direct participation features, the insurance contract services provided to the policyholders during the coverage period include both insurance coverage and investment-related services.

For contracts that provide investment-return or investment-related services, the period of those services ends no later than the date on which all amounts due to the current policyholders relating to those services have been paid, without considering payments to future policyholders included in the fulfilment cash flows of the group of contracts.

Insurance revenue – groups of insurance contracts not measured applying the PAA

Insurance revenue recognised in a reporting period reflects the reduction of the LRC that relates to the delivery of promised insurance contract services to policyholders, for which Ageas expects to receive consideration. Insurance revenue comprises the following:

- Claims and other insurance service expenses (excluding investment components) that Ageas incurred in the reporting period, generally measured at the amounts that were expected at the beginning of the reporting period. This includes amounts arising from the derecognition of any assets for pre-recognition cash flows (other than insurance acquisition cash flows) at the date of initial recognition of a group of insurance contracts, which are recognised as insurance revenue and insurance service expenses at that date.
- Changes in the risk adjustment that relate to current services, reflecting the release of non-financial risks associated with fulfilling the insurance contract services, excluding any changes that are included in insurance finance income or expenses due to the disaggregation of changes in the risk adjustment between insurance service result and insurance finance income or expenses;
- A release of the CSM, reflecting the profit recognition for insurance contract services provided during the reporting period;
- Other amounts, including experience adjustments for premiums related to current or past services.

In addition, a portion of the premiums that relate to recovering insurance acquisition cash flows is allocated in a systematic way to insurance revenue. The allocated insurance acquisition cash flows are adjusted for interest accretion, using locked-in discount curves determined on initial recognition of the related group of insurance contracts.

Release of the CSM

The carrying amount of the CSM of a group of insurance contracts reflects the unearned profit that Ageas expects to recognise over the remaining duration of coverage of the group.

The coverage period of a group of insurance contracts is the period during which Ageas provides insurance contract services under the insurance contracts in that group. It includes insurance contract services that relate to all premiums that fall within the contract boundary of the relating insurance contracts and is determined considering the applicable contractual terms and regulatory environment.

Ageas uses the concept of coverage units to recognise insurance revenue over the coverage period of the group and to release the carrying amount of the CSM of a group of insurance contracts.

The number of coverage units in a group is the quantity of insurance contract services provided to the policyholders of the insurance contracts in the group, determined by considering for each insurance contract the quantity of benefits provided and its expected coverage period. The number of coverage units of each group is reassessed at each reporting date.

IFRS 17 does not specify a particular method to determine the number of coverage units in a group of contracts. To achieve the objective of reflecting the quantity of insurance contract services provided in each reporting period, Ageas applies the following number of coverage units:

- The capital at risk for mortality covers;
- The survival capital for risk life covers;
- The disability annuity for disability covers; and
- The premium amounts for premium waiver covers and medical care products.

For investment-return or investment-related services, a method based on the amount of investment component in the period, the surrender value or the account balance is used.

Where insurance contracts provide different types of benefits, or where they contain both insurance coverage and investment-return or investment-related services, the number of coverage units is determined for each benefit or service, and a weighting is applied to convert the benefits or services into a compound number of coverage units that reflects the relative level of benefits provided for each type of benefit or service. The relative weighting of the benefits is based on the underlying CSM's of the different components. Using the underlying CSM's as the relative weightings is equivalent to calculating the release of the CSM of each of the underlying components (services) and adding them up.

At each reporting date, the carrying amount of the CSM of a group of insurance contracts (before any release) is allocated equally to:

- Each coverage unit for insurance contract services provided to the policyholders of that group during the reporting period; and
- The coverage units for insurance contract services expected to be provided over the remaining duration of coverage of the group.

The number of coverage units that has been allocated to the reporting period determines the release of the carrying amount of the CSM of the group of insurance contracts and consequently the amount that Ageas recognises as insurance revenue for that group of insurance contracts during the reporting period.

For most groups of insurance contracts, Ageas discounts the coverage units to reflect the timing of the expected provision of services, if this results in a more representative allocation of the insurance contract services provided during the period.

For groups of insurance contracts with DPF, Ageas recognises the CSM as insurance revenue in a systematic way that reflects the transfer of investment services under those contracts.

Insurance revenue – groups of insurance contracts measured applying the PAA

For groups of insurance contracts measured applying the PAA, Ageas recognises insurance revenue in a reporting period based on the consideration that it expects to receive in that period for the provided insurance contract services.

Ageas generally allocates the premiums that it expects to receive for a group of contracts to insurance revenue based on the passage of time over the coverage period of the group of insurance contracts. If the expected pattern of release of risk during the coverage period significantly differs from the passage of time, then the expected premiums are allocated to the respective periods of service based on the expected timing of incurred insurance service expenses. The latter may e.g. occur for groups of insurance contracts with important seasonal effects in the expected timing of incurred claims.

For groups of insurance contracts that include a significant financing component, Ageas considers the effect of the significant financing component in the revenue recognition (as part of insurance finance income or expenses).

If an insurance contract is modified, and the modification does not result in the derecognition of the original contract, the recognition of insurance revenue is adjusted prospectively from the date of the contract modification.

F.2 Insurance service expenses

Insurance service expenses arising from a group of insurance contracts are recognised in the income statement as incurred. Insurance service expenses include:

- Claims incurred during the reporting period (excluding investment components);
- Other incurred insurance service expenses, including amounts arising from the derecognition of any asset for pre-recognition cash flows (other than insurance acquisition cash flows) at the date of initial recognition of a group of insurance contracts, which are recognised in insurance revenue and insurance service expenses at that date;
- Release of insurance acquisition cash flows. For groups of insurance contracts not measured applying the PAA, this equals the amounts recognised in insurance revenue that relate to recovering insurance acquisition cash flows. For groups of insurance contracts measured applying the PAA, this equals the amounts of insurance acquisition cash flows incurred during the reporting period;
- Impairment losses on assets for insurance acquisition cash flows and any reversals of such impairment losses;
- Adjustments to the LIC that do not arise from the effects of time value of money, financial risk and changes therein; and
- Losses on onerous contracts and reversals of such losses.

Other expenses, not meeting the above categories and not being part of insurance finance income or expenses, are included as incurred in other operating expenses in the income statement.

F.3 Net result from reinsurance contracts held

Income and expenses from groups of reinsurance contracts held are presented separately from income and expenses from groups of insurance contracts issued.

Ageas recognises reinsurance expenses in its income statement in a similar way as insurance revenue. Ageas presents the allocation of ceding premiums paid, less the amounts that Ageas recovered from the reinsurers (excluding insurance finance income or expenses), on a net basis in the insurance service result.

For groups of reinsurance contracts held that are measured applying the GMM, the reinsurance expenses recognised in the reporting period reflect the reduction of the ARC that relates to reinsurance contract services received, for which Ageas paid consideration.

For groups of reinsurance contracts held that are measured applying the PAA, the reinsurance expenses recognised in the reporting period reflect the consideration that Ageas expects to pay in that reporting period for receiving reinsurance contract services.

Adjustments to any loss-recovery component of the ARC of a group of reinsurance contracts held, reflecting the (reversal of) recovery of losses recognised on onerous groups of underlying insurance contracts, are presented as part of 'Net result from reinsurance contracts held'.

Ageas recognises ceding commissions as follows:

- Ceding commissions that are contingent on claims on the underlying insurance contracts issued increase the amount of claims that Ageas expects to recover from the reinsurer; and
- Ceding commissions that are not contingent on claims on the underlying insurance contracts issued are recognised as a decrease of the ceding premiums.

F.4 Insurance finance income or expenses

Insurance finance income or expenses comprise changes in the carrying amount of a group of insurance and reinsurance contracts that arise from the effects of the time value of money, financial risk and changes therein, unless such changes are allocated to any loss component and are included in insurance service expenses.

For groups of insurance contracts measured applying the GMM, the insurance finance income or expenses recognised mainly relate to:

- Interest accretion on the fulfilment cash flows and on the CSM;
- The effects of changes in interest rates and other financial variables; and
- Foreign exchange differences, if applicable.

For groups of insurance contracts measured applying the VFA, insurance finance income or expenses comprise additionally changes in the fair value of the underlying items (excluding additions and withdrawals).

For groups of insurance contracts measured applying the PAA, the insurance finance income or expenses mainly relate to accreted interest on the fulfilment cash flows in the LIC and the effects of changes in interest rates and other financial variables.

To minimise accounting mismatches between the accounting for financial assets and insurance assets and liabilities, Ageas disaggregates insurance finance income or expenses between the income statement and OCI for most of its portfolios of insurance contracts. For portfolios to which disaggregation is applied, the amount to be included in the income statement for the reporting period is determined by a systematic allocation of the expected total insurance finance income or expenses over the duration of the group of insurance contracts, as explained below.

For groups of insurance contracts that are measured applying the PAA, the systematic allocation to the income statement is performed using discount curves that are determined on the date the claim occurred.

For groups of insurance contracts that are measured applying the GMM, for which changes in assumptions that relate to financial risk do not have a substantial effect on the amounts paid to the policyholders, the systematic allocation of the expected total insurance finance income or expenses to the income statement is performed using discount curves determined at the date of initial recognition of the group of insurance contracts.

For groups of insurance contracts that are measured applying the GMM, for which changes in assumptions that relate to financial risk have a substantial effect on the amounts paid to policyholders, the systematic allocation of the expected total insurance finance income or expenses to the income statement is performed using following rates:

- Related to the fulfilment cash flows, the projected crediting rate approach;
- Related to the CSM, discount curves determined at the date of initial recognition of the group of insurance contracts.

For groups of insurance contracts with direct participation features, that are measured applying the VFA, only where Ageas holds the underlying items, disaggregation means presenting in the income statement as insurance finance income or expenses an amount that eliminates the accounting mismatches with the finance income or expenses arising on the underlying items.

The amounts of insurance finance income or expenses recognised in OCI are recognised under the line item ‘Net finance expense from insurance contracts’ (or under the line item ‘Net finance income from reinsurance contracts held’ for reinsurance contracts held).

When Ageas transfers a group of insurance contracts without direct participation features or derecognises an insurance contract from a group of insurance contracts without direct participation features, any remaining amounts for the transferred group of insurance contracts or the derecognised contract, that were previously recognised in OCI, are reclassified to the income statement as a reclassification adjustment. For groups of insurance contracts with direct participation features, the amounts previously recognised in OCI remain there.

13. Employee benefits

A. Pension liabilities

Throughout its global activities, Ageas operates a number of defined benefit (DB) and defined contribution (DC) pension plans, in accordance with local conditions or industry practices. The pension plans are generally funded through payments to insurance companies or to trustee administered plans. The funding is determined by periodic actuarial calculations. Qualified actuaries calculate the pension assets and liabilities at least annually.

A DB plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age and years of service.

A DC plan is a pension plan under which Ageas pays fixed contributions. However, under IAS 19 ‘Employee benefits’, a DC plan with a guaranteed return is treated as a DB plan instead of a DC plan due to the (legally determined) guaranteed return included in those plans.

For DB plans, the pension costs and related pension assets or liabilities are estimated using the projected unit credit (PUC) method. Under this method:

- Each period of service gives rise to an additional unit of benefit entitlement and each unit is measured separately in order to build up the final liability;
- The cost of providing these benefits is charged to the income statement to spread the pension cost over the service lives of the employees;
- The pension liability is measured at the present value of the estimated future cash outflows using discount rates determined by reference to market yields on high quality corporate bonds, which have terms to maturity approximating the terms of the related liability.

Ageas recognises remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling (see below) and the return on plan assets (excluding net interest), immediately through OCI in the reporting period in which they occur. Remeasurements are not reclassified to the income statement in subsequent periods. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Past service costs are recognised in the income statement on the earlier of:
- The date of a pension plan amendment or curtailment; and
- The date that Ageas recognises restructuring-related costs.

Assets that support the pension liabilities of an entity must meet certain criteria in order to be classified as ‘qualifying pension plan assets’. These criteria relate to the fact that these assets should be legally separate from Ageas or its creditors. If this is not the case, the assets are included in the relevant line item on the statement of financial position (such as financial investments). If the assets meet the criteria, they are netted against the pension liability.

When the fair value of the plan assets is netted against the present value of a DB plan liability, the resulting amount could be negative (an asset). If this is the case, the recognised asset cannot exceed the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan (‘asset ceiling’).

The costs and liabilities of other benefit plans that provide long-term service benefits, but that are not pension plans, are also measured at present value using the PUC method.

The contributions of Ageas to DC pension plans are charged to the income statement in the year to which they relate, except for DC plans with a guaranteed return, that follow the accounting treatment of a DB plan as described above.

B. Other post-retirement liabilities

Some subsidiaries or associates and joint ventures of Ageas provide other post-retirement employee benefits to retirees, such as preferential interest rate loans and health care insurance. Entitlement to these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. Expected costs of these benefits are accrued over the period of employment, using a methodology similar to that for DB pension plans. These liabilities are determined based on actuarial calculations.

C. Share options and equity participation plans

Ageas grants share options and restricted shares, both equity-settled and cash-settled plans, to directors and employees for services received. The fair value of the services received is determined by reference to the fair value of the share options and restricted shares granted. The expense of share options and equity participation plans is measured at the grant date based on the fair value of the options and restricted shares and is recognised in the income statement, either immediately at grant date if there is no vesting period, or over the vesting period of the options and restricted shares.

Equity-settled plans are accounted for as an increase in equity and are remeasured for the number of shares until the vesting conditions are met.

Cash-settled plans are accounted for as an increase in liability and are remeasured both for:
- The number of shares until the vesting conditions are met; and
- The change in the fair value of the restricted shares.

Expenses relating to remeasurement are recognised in the income statement during the vesting period. Expenses related to current and past periods are directly recognised in the income statement.

The fair value of the share options is determined using an option-pricing model that considers the following:
- The stock price at the grant date;
- The exercise price;
- The expected life of the option;
- The expected volatility of the underlying stock and expected dividends on it; and
- The risk-free interest rate over the expected life of the option.

When the options are exercised and new shares are issued, the proceeds received, net of any transaction costs, are credited to share capital (par value) and to share premium (the surplus). If for this purpose own shares have been repurchased, these will be eliminated from the treasury shares.

D. Employee entitlements

Employee entitlements to annual leave and long-service leave are recognised when they accrue to employees. A provision is recognised for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the date of the statement of financial position.

14. Provisions and contingent liabilities

A. Provisions

Provisions are liabilities involving uncertainties in the amount or timing of future payments. Ageas recognises a provision if there is a present obligation (legal or constructive) to transfer economic benefits, such as cash flows, as a result of past events and if a reliable estimate can be made at the reporting date. Ageas establishes provisions for certain guarantee contracts, for which Ageas is responsible to pay upon default of payment by a third party. Provisions are estimated based on all relevant factors and information existing at the date of the statement of financial position and are typically discounted at the risk-free rate. The unwind of the discount is recognised as ‘Financing costs’.

B. Contingencies

Contingencies are possible obligations that arise from past events and:

- Whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of Ageas;
- For which it is not probable that an outflow of resources will be required to settle the obligation; or
- For which the amount of the obligation cannot be measured with sufficient reliability.

Ageas does not recognise contingent liabilities in its statement of financial position.

15. Fee and commission income

A. Fees recognised as services are provided

Fees arising from services provided are generally recognised as revenue as the services are provided. If it is unlikely that a specific lending arrangement will be entered into and the loan commitment is not considered a derivative, the commitment fee is recognised as revenue on a straight-line basis over the commitment period.

B. Fees recognised upon completion of the underlying transaction

Fees arising from negotiating, or participating in the negotiation of a transaction for a third party, are recognised upon completion of the underlying transaction. Commission revenue is recognised when the performance obligation is complete.

C. Fees from investment contracts

Fees arising from investment contracts, of which the covered insurance risk is not significant, consist of fees for providing investment and administration services. Those fees are recognised as revenue as the related services are provided.

16. Share capital and other equity components

A. Share capital and share issue costs

Incremental costs directly attributable to the issue of new shares or share options, other than those incurred in a business combination, are deducted from equity net of any related income taxes.

B. Treasury shares

When the parent company or its subsidiaries purchase Ageas shares, or obtain rights to purchase Ageas shares, the consideration paid, including any attributable transaction costs, net of income taxes, are shown as a deduction from equity.

Dividends paid/received on treasury shares held by Ageas companies are eliminated when preparing the consolidated financial statements.

Ageas shares held by Ageasfinlux S.A. in the context of FRESH capital securities are not entitled to dividend or capital distributions. These shares are eliminated in calculating dividend, net profit and equity per share. The cost price of the shares is deducted from equity.

C. Compound financial instruments

Components of compound financial instruments (i.e. liability and equity parts) are classified in their respective area of the statement of financial position.

D. Other equity components

Other elements recognised in equity relate to:
Direct equity movements of associates (see section 6.);
Changes in foreign exchange rates (see section 7.);
Investments measured at FVOCI (see section 8.);
Cash flow hedges and fair value hedges (see section 8.);
Actuarial gains and losses on DB plans (see section 13.);
- Share options and restricted share plans (see section 13.); and
- Dividend, treasury shares and cancellation of shares.

17. Income taxes

A. Current tax

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period.

Income tax payable on profits is recognised as an expense based on the applicable tax laws in each jurisdiction in the period in which profits arise. The tax effects of income tax losses that are available to be carried forward are recognised as a deferred tax asset if it is probable that future taxable profit will be available against which those losses can be utilised.

If a legal entity assesses that it is not probable that the relevant taxation authority will accept the applied tax treatment, that legal entity reflects the effect of uncertainty for each uncertain tax treatment by using either the most likely amount or the expected value based on a range of possible outcomes, depending on which method better predicts the resolution of the uncertainty.

B. Deferred tax

Deferred tax liabilities (DTL) are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

Deferred tax assets (DTA) are the amounts of income taxes recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and of unused tax credits.

Deferred tax is recognised in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred taxes are determined based on the rates enacted or substantively enacted at the date of the statement of financial position.

DTA are recognised to the extent that it is probable that sufficient future taxable profit will be available to allow part of or the entire deferred tax asset to be utilised.

DTL are recognised on taxable temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax related to fair value remeasurement of items in the statement of financial position which is charged or credited directly to equity (such as unrealised capital gains or losses on investments measured at FVOCI or on cash flow hedges) is also credited or charged directly to equity.

Deferred income tax assets and liabilities are offset when Ageas has a legally enforceable right to settle the amount payable and the amount receivable at the net amount, and when the DTA and DTL relate to income taxes levied by the same tax authorities.

18. Earnings per share

Basic earnings per share are calculated by dividing the net result attributable to ordinary shareholders by the weighted average number of ordinary shares in circulation during the year, excluding the average number of ordinary shares purchased by Ageas or its subsidiaries and held as treasury shares.

For the calculation of the diluted earnings per share, the weighted average number of ordinary shares in circulation is adjusted assuming conversion of all dilutive potential ordinary shares, such as convertible debt, preferred shares, share options and restricted shares granted to employees. Potential or contingent share issuances are considered to be dilutive when their conversion to shares would decrease net earnings per share.

The impact of discontinued operations on the basic and diluted earnings per share is shown by dividing the net result before discontinuation of the operations by the weighted average number of ordinary shares in circulation during the year, excluding the average number of ordinary shares purchased by Ageas or its subsidiaries and held as treasury shares.

Risk management and solvency

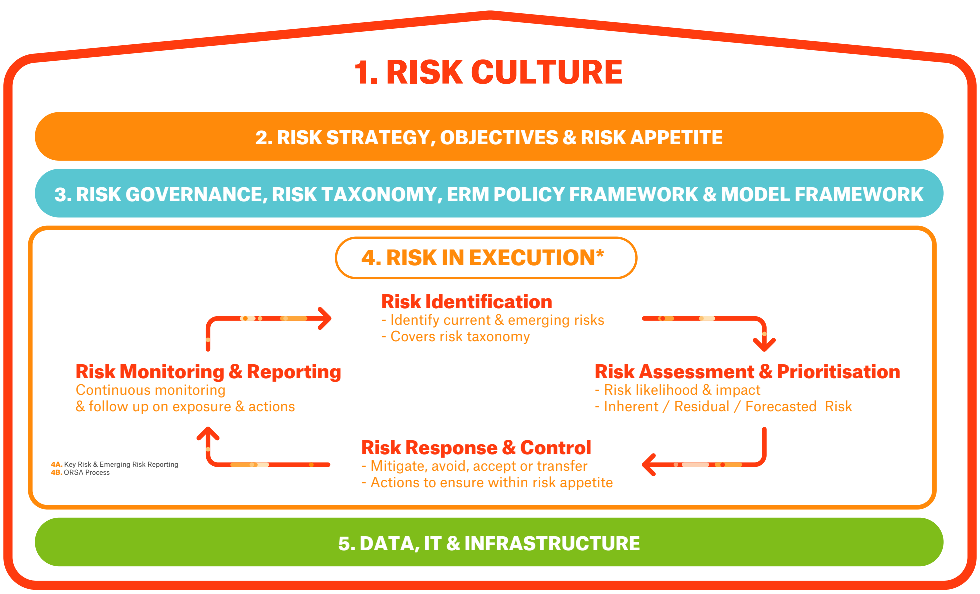
Risk management

1. Risk Management Objectives

As a multinational insurance provider, Ageas creates value through the proper and effective management of insurance risks at an individual and overall portfolio level. Ageas's insurance operations provide both Life and Non-life insurances and consequently face a number of risks that may affect the achievement of company objectives.

Ageas only seeks to take on risks:

- for which it has a good understanding;
- that can be adequately assessed and managed either at the individual or at the overall portfolio level;
- that are affordable (i.e. within the Ageas risk appetite);
- that have an acceptable risk-reward trade-off (mindful of Ageas's commitment to its stakeholders, to society, as well as corporate and risk culture values);
- The main objectives of Ageas's risk management are:
- Risk-taking is consistent with the strategy and within risk appetite.
- Appropriate incentives are in place to promote a common understanding of our risk culture.
- Appropriate, timely and correct information is available to allow appropriate strategic decision- making.
- An appropriate risk governance is in place, is adequate and effective, and can be evidenced.
- An appropriate Enterprise Risk Management (ERM) policy framework (including limits & minimum standards) is in place, understood and embedded in day-to-day business activities.
- Risk processes are high caliber and efficient, facilitating accurate and informative risk reporting that reinforces the decision-making process



Note - Internal Control, Information Security and Data Management are managed as part of the ERM framework.

Ageas ERM Framework

Risk culture forms an essential part of the overall corporate culture that the Ageas Board of Directors, Management Committee and Executive Committee seek to promote and embed. Ageas's risk culture, outlined below, stems from the Ageas corporate culture. The principles of corporate culture and key components of risk culture provide guidance to actions and decisions, and reflect the mind-set and attitude expected in the company.

The key elements of Ageas's desired risk (and corporate) culture are depicted below.

OUR RISK CULTURE VALUES

We always act **ethically** and with **integrity**

We **share responsibility** for maintaining our culture of **risk awareness at all levels**

We promote an environment of **open communication** and **effective challenge** in which decision-making processes encourage taking a broad range of views and promote engagement

We **understand** both the **good (upside risk)** and the **harm (downside risk)** that can arise **from** the **decisions** we make

We **take ownership** and **individual accountability**, making **timely decisions** and **openly reporting** on the risks we take

We have the **right people profiles, incentives, reward**, and **remuneration** structure consistent with our **desired risk culture**

OUR CORPORATE VALUES

WE CARE - showing respect & helping hose around us, and staying true to who we are

WE DARE - pushing boundaries and not being afraid to take a chance

WE DELIVER - making things happen, keeping the promises we make

WE SHARE - learning together, inspiring others, and sharing success with all stakeholders

CARE
DARE
DELIVER
SHARE

To help promote risk awareness and embed the risk culture values across the organisation, risk training in the form of e-learning or classroom sessions, takes place regularly within the group at all levels including the Board of Directors. There is a mix of centralised training material cascaded from Corporate Centre and subsequently tailored to local needs and decentralised material that each business has developed. Similarly, there is a mix of mandatory and voluntary training.Risk education and awareness sessions include but are not limited to; Risk Framework, Risk Governance – Three Lines of Defence model, Risk Incident Reporting, Anti-Fraud training; Code of Conduct, Information Security, Internal Control, Business Continuity. This is complemented by regular awareness campaigns run via internal communication channels such as corporate social network, intranet or e-mails.

2. Risk Management Framework

Ageas defines risk as the deviation from anticipated outcomes that may have an impact on the solvency, earnings or liquidity of Ageas, its business objectives or future opportunities.

Ageas has established and implemented an Enterprise Risk Management ("ERM") framework inspired by COSO[1] ERM and Internal Control frameworks, which encompasses key components that act as a supporting foundation of the risk management and internal control system (this includes climate-related risks).

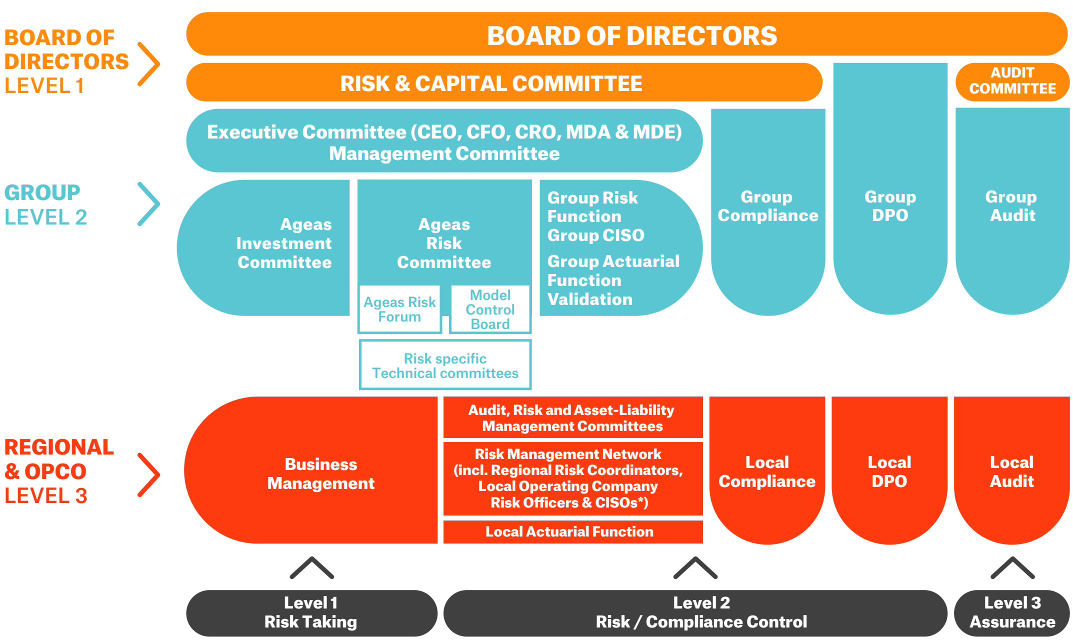
ERM can be defined as the process of systematically and comprehensively identifying critical risks, assessing their impact and implementing integrated strategies to provide reasonable assurance regarding the achievement of the company's objectives. Ageas's ERM framework (depicted in the diagram above) sets the following high-level objectives:

- Defines a **risk appetite** to ensure that the risk of insolvency is constantly managed within acceptable levels, and that the risk profile is kept within set limits.
- Influences a **strong culture of risk awareness** whereby managers carry out their duty to understand and be aware of the risks to their business, to manage them adequately, and report them transparently.
- Ensures **identification & validation, assessment & prioritisation, recording, monitoring, and management** of risks which affect, or can affect, the achievement of strategic and business objectives.
- Supports the decision-making process by ensuring that **consistent, reliable, and timely risk information** is available to decision makers.
- **Embeds strategic risk management** into the overall decision- making process.

3. Risk Management organisation and governance

A strong and effective risk governance framework, underpinned by a sound risk culture, is critical to the overall effectiveness of Ageas's risk management arrangements. The Board is ultimately responsible for the overall Risk Management. It is assisted in the discharge of its duties by several key governance bodies as depicted below and explained further in this section (responsibilities related to risk management and internal control are explained in this section – please refer to note "A.6 Corporate Governance Statement" of this Annual Report for governance details related to Board level committees, Executive Committee, and Management Committee).

The following bodies provide advice – ultimately to the Executive Committee and/or the Board, unless they have been explicitly mandated by Executive Committee and/or Board to take decisions on specific tasks.



* Local CISOs have a functional reporting line to local risk management

1 *Committee of sponsoring organisations of the treadway commission.*

Ageas Investment Committee

Ageas Investment Committee (AGICO) advises the Executive Committee and monitors overall asset exposures. It advises management on decisions regarding investments. Its role also includes making recommendations relating to the Strategic Asset Allocation and Asset & Liability management and aims to optimise the overall investment strategy in accordance with the risk framework and within agreed limits. Group Risk participates to ensure risk mitigating actions are taken when necessary. This committee is split into an Asian part and a European part to ensure relevant regional focus.

Ageas Risk Committee (ARC)

Ageas Risk Committee (ARC) advises the Executive Committee on all risk related topics ensuring that all risks that affect the achievement of strategic, operational and financial objectives are promptly identified, measured, managed, reported and monitored (through adequate risk appetite limits) and that adequate risk management governance and organisations are in place and followed (as stipulated in the context of the ERM Framework). The Group, regional and local Chief Risk Officers and Chief Financial Officers from the regions are members of the ARC, which ensures that decisions or recommendations made by the ARC take into account the views and expertise of the operations. The most significant risk issues and methodologies are also reviewed and decided upon by the Executive Committee and by the Board. The ARC is itself advised by the Ageas Risk Forum on topics related to the risk management framework and by the Ageas Model Control Board that makes sure the models used are appropriate and suited to the task they are used for.

Ageas Risk Forum (ARF)

Ageas Risk Forum (ARF) advises the Ageas Risk Committee on topics related to the enterprise risk management framework. Group, regional and local Risk Officers are members of the ARF, ensuring knowledge and best practice sharing to further develop and continuously improve the Group's ERM framework. The ARF itself is advised by Risk-Specific Technical Committees where appropriate.

Ageas Model Control Board (MCB)

Ageas Model Control Board (MCB) advises (and escalates when appropriate to) the Ageas Risk Committee on topics related to the models and methodology. The MCB is composed of Group Risk Model Managers, regional and local representatives, allowing for the proper interactions with the local Model Control Boards. The MCB ensures that the models used are appropriate and fit for purpose. The MCB is itself advised by Risk-Specific Technical Committees where appropriate. A dedicated Model Control Board is organised for model-related topics specific to Ageas SA/NV, focussing on holding specific activities and reinsurance.

Risk-specific technical committees

Risk-specific technical committees, such as the Ageas Financial Risk Technical Committee, Ageas Life Risk Technical Committee, Ageas Non-life Risk Technical Committee and Ageas Operational Risk Technical Committee act as technical expert bodies. They assure consistency of methodology and modelling approaches across Ageas's local operating companies. They facilitate the collection of business requirements and align Ageas Group platforms supporting the relevant risk assessments with business requirements and overall regulatory requirements. They act as advisory bodies to the ARF and MCB.

Group Risk Function

The Group Risk Function - headed by the Group Chief Risk Officer (CRO) - is responsible for monitoring and reporting on the overall risk profile of the Group including the aggregate risk profile of the insurance companies. It develops, proposes and implements the ERM framework that it documents through regularly updated ERM policies. It ensures the appropriateness of the overall model governance taking into account remarks made by Ageas's independent Model Validation team. It also coordinates major risk related projects. Group Risk (also being part of the Sustainability Network) follows the topic of sustainability, and monitors developments - such as European Commission action plans, EIOPA (European Insurance and Occupational Pensions Authority) opinions, Regulatory statements and changes in regulation - and prepares appropriate actions.

Information Security is part of the ERM framework – the Board is ultimately accountable for the design of the information security policy. The Executive Committee (ExCo) is responsible for theimplementation of this policy and correct operation of the related controls. Day-to-day responsibility for designing Information Security Framework and oversight of the framework implementation including correct operations of the related controls is assigned to the Group Chief Information Security Officer (CISO) who reports to Senior Management within the Group Risk organisation. The Group (and local) CISOs develop and maintain the information security strategy and policy that supports information security governance framework, and coordinate information security across the organisation. They also oversee information security programmes and related initiatives, and report regularly on information security related risks and level of maturity to appropriate Steering and Risk Committees, Executive Management and Board of Directors.

Group Data Protection Function

The Data Protection Officer (DPO) is an independent function that provides adequate support to the management team with regard to their accountability for ensuring compliance with GDPR by informing and advising on personal data processing obligations. The DPO monitors compliance with GDPR and any relevant data protection laws and regulations (including Ageas's internal policies) through appropriate management structures and controls, and performs analysis of security, privacy and data protection risks; The results of these analyses are reported to the Board of Directors at least annually. Data breaches are reported to the Board of Directors every quarter. The DPO escalates issues to the local Data Protection Authority (DPA) when it is clear that the entity will process personal data that may cause damage and/or distress to the data subjects. The DPO also organises educational programmes for staff making sure that accountabilities and responsibilities within the entity are understood. Towards data subjects, the DPO is making sure that individual's fundamental rights as defined in GDPR are being respected (e.g., facility to make a request or file a complaint via Privacy Web Form.

Group Actuarial Function

An independent function directly reporting to the CRO to facilitate the collaboration with the Risk Management System. The main role of the Actuarial function is to issue Actuarial Opinions on three key subjects (Technical Provisions, Underwriting and Reinsurance), and additionally, coordinates the calculation of technical provisions and assures a level of consistency throughout the Group.

Group Compliance Function

An independent control function within Ageas that aims to provide reasonable assurance that the company and its employees comply with laws, regulations, internal rules and ethical standards.

Group Internal Audit Function

The internal audit function contributes to the achievement of Ageas's objectives by providing professional and independent assurance on the effectiveness of governance, risk management and control processes. If and when appropriate, Audit formulates recommendations to optimize these processes.

Local Operating Companies (OpCos)

Each OpCo is responsible for ensuring that it has a comprehensive risk management framework in place, and for managing its risks within the limits, policies and guidelines set by Regulators, Ageas Group and its local Board of Directors.

Furthermore, each OpCo is required to have the following in place:

- a Board level Risk Committee and Audit Committee to assist the Board in fulfilling its supervision;
- a Management Risk Committee, which supports its management team in ensuring that key risks are well understood, and appropriate risk management procedures are in place;
- an ALM Committee whose role includes the monitoring of market risks to ensure they are managed in accordance with the risk framework and within agreed limits and to make specific decisions or recommendations relating to ALM;
- a local Model Control Board which coordinates with the Ageas MCB;
- a Risk Function (or Risk Officer) to support the work of the Risk Committee and to provide risk reporting and opinions to the local CEO, local Board and to Group management;
- an Actuarial Function in line with Solvency II regulatory requirements;
- a Compliance Function that advises the administrative or management body on compliance with laws, regulations and administrative requirements and Group and local policies where these set additional requirements. Compliance assesses the possible impact of any changes in the legal environment on the operations of the undertaking concerned and identifies any compliance risk;
- a Chief Information Security Officer (CISO) supports local Senior Management;
- a Data Protection Officer (DPO) that reports to the highest local management level and is contact person for the local DPA; and
- an Internal Audit Function assessing the adequacy and effectiveness of the internal control system and other elements of the risk governance system.

Three Lines of Defence

Ageas has implemented a 3 lines of defence model - the three lines share the ultimate aim of helping the organisation to achieve its objectives while effectively managing risk.

FIRST LINE OF DEFENCE
(Business Owner)

- Implements the enterprise risk management framework
- Embeds an appropriate risk culture
- Identifies, owns, measures and manages risks in the business, ensuring Ageas does not suffer from unexpected events
- Implements policies and controls to manage risks (in line with Group requirements and risk appetite) and ensure that these are operating effectively on a day to day basis
- Identifies and implements actions to manage existing and emerging risks
- Reports on risk management including analysing whether key business objectives are likely to be achieved
- Demonstrate to the Board of Directors and Regulator that risk controls are adequate and effective
- Operating in line with regulations

SECOND LINE OF DEFENCE
(Risk Management, Compliance, DPO, CISO and Actuarial Functions)

- Advises Senior Management and the Board of Directors on the setting of high level strategies and risk appetite aggregation
- Establishes and maintains the enterprise risk management framework
- Facilitates, assesses and monitors the effective operation of the risk management system
- Provides risk education and training
- Acts as an independent risk advisor
- Oversight & challenge of key risks and how they are measured and managed
- Monitors adherence with risk appetite and policies
- Oversees effective use of risk processes and controls
- Monitors compliance with regulations and informs business of requirements

THIRD LINE OF DEFENCE
(Internal Audit)

- Provides a reasonable level of independent assurance to Senior Management and Board of Directors on the adequacy & effectiveness of governance, risk management and controls

4. Capital Management Objectives

Capital is a scarce and strategic resource, which requires a clearly defined, rigorous and disciplined management approach in order to ensure efficient and effective deployment. The Capital Management approach that Ageas follows aims to balance the needs and requirements of all stakeholders including shareholders, debt investors, regulators, rating agencies and customers.

The main objectives of capital management at Ageas are:
- to optimise the capital structure, composition and allocation of capital within Ageas;
- to ensure value creation by funding profitable growth, as well as protecting the viability and profitability of the business;
- to ensure optimal dividend levels, both for the Group as well as its subsidiaries.

Capital Management Framework

Ageas's objectives with respect to capital management are to be achieved by adhering to clearly defined processes. These are governed by clearly defined policies and procedures to ensure that capital management practices throughout the Group and the OpCos are understood, documented and monitored (with corrective actions taken if necessary).

The Capital Management Framework at Ageas defines rules and principles in respect of the following:
- Capital planning, i.e. defining the capital level the Group wants to hold, which is a function of:
  - Legal requirements and anticipated changes;
  - Regulatory requirements and anticipated changes;
  - Growth ambitions and future capital commitments;
  - The Risk Appetite Policy.
- Capital allocation, i.e. determining the capital use that Ageas foresees, which is a function of:
  - Optimisation of risk reward;
  - The Dividend Policy (and future capital raising);
- Capital structuring, i.e. maintaining an efficient balance between equity and debt;
- Capital Management governance, i.e. setting clear roles and responsibilities on people and decisional bodies involved in Capital Management Processes.

5. Assessing Solvency & Capital

5.1 Measuring capital adequacy

Under Solvency II, Ageas uses a Partial Internal Model (PIM) to measure its Solvency Capital Requirement under Pillar 1. The PIM combines the Solvency II Standard Formula with the Internal Model for Non-life Underwriting Risk for the main entities engaging in Non-life business. Ageas supplements the Pillar I PIM with its own internal view to measure its Solvency Capital Requirements (called SCR_{ageas}) under Pillar 2. On top of the Partial Internal Model Non-life, the SCR_{ageas} enhances the Standard Formula with the following elements:
- Reviewed spread risk treatment;
- Inclusion of fundamental spread for EU sovereign (& equivalent) exposures;
- Exclusion of non-fundamental spread on other debt;
- Internal model for Real Estate;
- Inflation risk charge for Workers' Compensation;
- Exclusion of transitional measures.

This SCR_{ageas} is then compared with qualifying own funds to determine the Group's overall capital adequacy, providing the Solvency II_{ageas} ratio.

For more information on Solvency II, please see also note Regulatory supervision and solvency.

Overall capital adequacy is verified on a Group-wide basis, quarterly and annually :
- Through a quarterly Solvency and Capital report, Ageas's Board of Directors ensures that capital adequacy continues to be met on a current basis;
- Ageas's Board also proactively assesses and steers the Group's capital adequacy on a multi-year basis, taking into account strategy and forecasted business and risk assumptions. This is done through a process called Own Risk & Solvency Assessment, which is embedded into Ageas's multi-year budgeting and planning process.

5.2 Risk Appetite Framework

The Risk Appetite Framework consists of criteria which are used to formulate the willingness of management to take on risk in a specific area. Ageas's Risk Appetite Framework applies to all OpCos of Ageas (defined as entities of which Ageas, directly or indirectly is a shareholder, and holds operational control), and on a best effort basis to affiliates (defined as entities of which Ageas, directly or indirectly is a shareholder, but does not hold operational control).

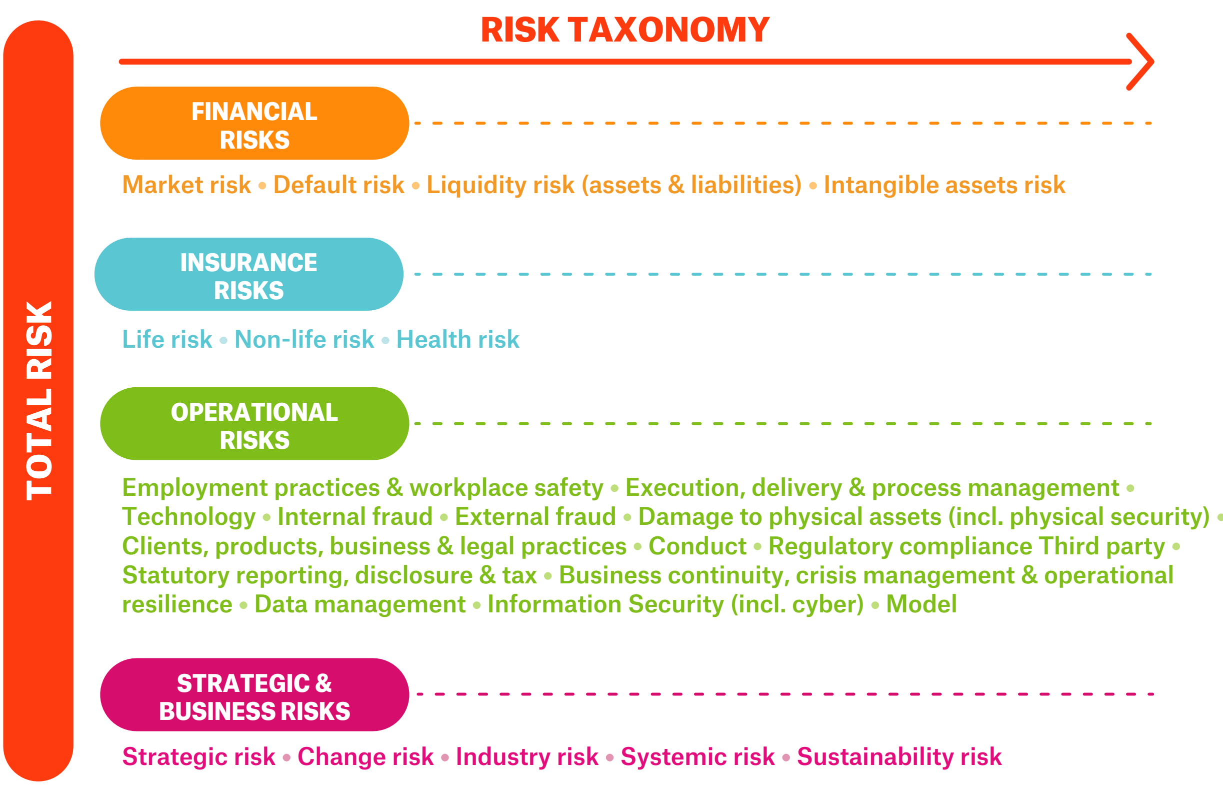
The main objectives of the risk appetite framework are to ensure that :
- The exposure to a number of key risks of each OpCo and the Group as a whole remain within known, acceptable and controlled levels;
- Risk Appetite criteria are clearly defined, so that actual exposures and activities can be compared to the criteria agreed at Board level, allowing monitoring and positive confirmation that risks are controlled and that the Board is able and willing to accept these exposures;
- Risks limits are linked to the actual risk-taking capacity of an OpCo and Group in a transparent and straightforward way.

Due to their importance for the continued operation of Ageas, and its ability to adhere to its commitments to its stakeholders, the following criteria are set :

- *Solvency*
  - Risk Consumption (RC, being the level of buffer capital consumed by the current risk profile, consistent with a 1 in 30 year loss) remains below the Risk Appetite (RA) budget, set at 40% of Own Funds, net of expected dividends.
  - Capital Consumption (CC) remains below the Target Capital (TC), set at 175% of SCRageas.
- *Earnings*
  - The deviation from year-end budgeted IFRS earnings due to a combined 1/10 financial loss event is limited to 100%.
  - With the following early warning mechanism : The deviation from year end forecasted IFRS earnings (or budgeted IFRS earnings should the forecast be lower than the budget) due to a combined 1/10 financial loss event is limited to 100%.
- Liquidity
  - The base liquidity ratio is at least 100%.
  - The stressed liquidity ratio is at least 100%.

6. Risk taxonomy

In order to ensure a consistent and comprehensive approach to risk identification, Ageas has defined a Risk Taxonomy encompassing the key risks that can impact the Group. The Risk Taxonomy (below) is aligned with Solvency II risk categories, which facilitates the alignment of internal and external reporting.



The Taxonomy was updated in 2020 to explicitly include Sustainability Risk, that itself includes environmental risk and climate change, as part of an update to Ageas's Risk Policy, one of the overarching policies within our suite of risk policies. Other risk polices that include ESG considerations are the Product Approval Policy, the Outsourcing Policy, the Procurement Policy, and the Investment policy. The ESG considerations for underwriting will be included in the Underwriting policy in 2024.

As part of our approach to responsible insurance we actively seek to provide transparent product offerings and services that evidence consideration of ESG risk factors including changing customer behaviours, promote economic inclusion and encourage environmentally and socially responsible behaviours by customers. We also seek to limit our net exposure to physical risks that may occur should the Paris Agreement target not be met. Through responsible investment, we seek to manage potential vulnerabilities and take advantage of opportunities arising from the transition to a low carbon economy.

The policies require that ; processes and controls will continue to be updated and assurance provided on their design and effectiveness ; Products and services will continue to be adjusted through formal governance structures, evidencing environmental (not least climate change) considerations, and responding to changing customer demands and needs ; Limits are set and targets evolve ; Third party management must include appropriate ESG consideration and evidence. On an annual basis, an exercise is performed to assess adherence to all risk policy requirements and action plans are drawn up for any gaps that are identified.

The risk in execution cycle (depicted in the ERM framework visual – section 6.1) and the Risk Taxonomy are fundamental to our Key Risk Reporting (KRR) and Emerging Risk Reporting (ERR) processes.

6.1 Key Risk Reporting (KRR)

KRR consists of a systematic approach to identify and mitigate key (existing) risks that threaten the realisation of Ageas's business and strategic objectives. The process considers all types of risks of the Ageas risk taxonomy to identify key risks, analyses risk causes and deploys appropriate risk response strategies. During this process, identified risks are assessed and managed using Ageas's risk rating methodology.
Likelihood and impact criteria (financial and non-financial) are used to determine a level of concern, which guides when actions need to be taken. Each region (set of OpCos and/or Joint Ventures with common regional oversight) and/or OpCo re-evaluates key risks on at least a quarterly basis, and the most significant risks are also monitored and reported on at Group level. The key outputs of the process are documented in a quarterly Group Top Risk Report.

The top key risks that Ageas faced at Q4 2023 are :
- Interest Rate Risk.
- Increased regulation, legislation & scrutiny.
- Volatile / unfavourable market movements.

Interest Rate Risk
In a context of economic uncertainty and inflationary pressure, interest rate volatility, including a recent phase of fast-increasing rates and inverted yield curve structure has raised the question of higher client return in the Life Insurance business and led to fierce competition, especially on the Life Retail invest segment from the banking sector. This requires an increased reactivity and responsiveness in the Life Retail business in order to avoid losing significant inflow, while at the same time being confronted with the possibility that interest rates decrease again in a context of lower inflation. Short term interest rate spikes keep representing a threat to the agility of the organisation. In the current situation of volatile interest rates, more alternative and attractive banking products have become available leading to potential risk to volumes in bancassurance. Monitoring the evolution and the volatility of interest rates remains a necessity and is an integral part of the business-as-usual activities in the Life Insurance business.

Increased regulation, legislation & scrutiny
The insurance market is being affected by more regulation on a global level, along with tighter supervisory oversight of (re)insurance businesses, which is having an impact on the (re)insurance market. Locally, legislative attempts regarding corporate taxes of insurance firms, taxation of insurance goods, and a number of other non-fiscal measures influencing the insurance industry, can be observed. On top of the local national legislative measures, other published or upcoming European regulations are multiplying (e.g. sustainability regulations, DORA, AI legislation, review of the Distance Marketing Directive, etc.). Parts of these policies have already come into effect, while some parts are still in the planning stages. A Legal Overview at the level of the entire firm is created and used to implement close monitoring of all these measures, both current and future, and to report on a regular basis to the governance authorities.

Volatile / unfavourable market movements
In addition to medium-term risks (e.g. post-Brexit EU/UK trade tensions, US/China tensions, Russia/Ukraine war, Israel/Palestine war…), the remaining post-pandemic effects, coupled with volatile market movements leads to potential adverse impacts on earnings, solvency and liquidity. Ageas closely monitors this risk through regular monitoring processes and subsequent reporting, as well as through governance bodies such as the Ageas Investment Committee.

For all key risks, Ageas has processes to closely monitor risk evolutions and has defined actions to mitigate risk exposures.

6.2 Emerging Risk Reporting

Ageas has also implemented an Emerging Risk Process.

(Re)Insurers face a degree of change and uncertainty that appears to be evolving at an ever-quickening pace. Understanding these changes can help to either enable Ageas to explore new opportunities or develop measures to mitigate the potential associated risks.

Emerging risks are derived from emerging trends (current and future developments linked to the internal and external environment, including strategic objectives) that could become a possible threat or risk for the business and that, by their nature, are uncertain and difficult to quantify. Emerging risks can also include those trends that are not yet well understood (and which ultimately, with greater knowledge, could be opportunities).

Group Strategy has a well-established annual Horizon Scan process, whereby, identified emerging trends are scored, on the one hand, based on artificial intelligence analysis, and on the other hand, resulting from the opinion of Ageas's employees from across the Group (using a survey-based approach). The Horizon Scan process is further reinforced by a Think2030 working group – a forward looking strategically focused group comprised of stakeholders spanning the Ageas Group entities.
In 2023 the Ageas Horizon Risk Scan was developed in addition to the already existing Horizon Scan radar. Whilst the Horizon Scan radar mainly looks at the emerging trends form an opportunity and strategic view the Ageas Horizon Risk Scan looks to the trends through a risk lens.

The Ageas Horizon Risk Scan and Regional / Operating Companies' emerging risk reports are the main source for the 2023 Group Emerging Risk Report.

Ageas follows six dimensions (PESTLE) in identifying possible emerging risks, creating a clear link with its strategy (most of the time the six dimensions are inextricably intertwined) :

- Political
- Economy
- Social
- Technological
- Legal
- Environmental

Ageas has developed an emerging risk rating methodology using proximity and impact criteria to guide the most appropriate course of action. Each relevant trend (and associated risks) is assessed to conclude management's response, and prioritized into three categories:

- ACT – risks the organisation should mitigate;
- ANALYSE – risks that require further analysis (highly uncertain or risks frequently mentioned by external sources whose impact for the organisation is difficult to assess);
- AWARE – risks that should be monitored.

The annual Group Emerging Risk Report is presented at risk governing bodies including the Board of Directors. Actions and emerging risk evolutions are then followed up on a quarterly basis within the Group Top Risk Report.

The 2023 Group Emerging Risk Radar reflects areas considered most relevant to both the industry and Ageas' strategy, business lines and model. Emerging Trends are heavily interconnected, hence viewing the full landscape is essential to have clear sight of how different trends impact each other and how this may affect current and future material risk exposures. Compared to 2022, the emerging trends and risks already reported in the Ageas Group Top Risk Report or the emerging trends already integrated into Ageas' strategy were not removed from the radar to maintain a complete overview.

For all trends reported in the Act and Analyse area, adequate actions have been taken across the Group.

The top (high proximity, moderate to major impact) Emerging Risks for Ageas as at end 2023 are:

- Future of banking & financial services
- Consumer behaviour change
- Technology & Data
- Future of work
- Cyber Crime Risks
- Changing Geopolitical Landscape
- World economy
- Climate change

Future of banking & financial services (PESTLE category – Economic)

The insurance sector is witnessing a surge in digital innovation emphasizing data-driven decision-making, customer-centric services, and operational efficiency. With the emergence of the Insurance-as-a-Service model, which emphasis is on trust-based partnerships and reinventing conventional insurance value chains.

Numerous Group transversal and local initiatives as part of Ageas' Impact24 strategy are underway to explore opportunities and mitigate risks. These include initiatives for digital platforms, health ecosystem, partnerships, operational efficiency, salvage, ….

Consumer behaviour change (PESTLE category – Social)

Consumer behaviour change refers to the shift in how individuals make purchasing decisions and interact with brands due to various internal and external factors such as changes in technology, economic conditions, social norms, and personal values.

The insurance sector is undergoing a significant shift driven by advanced data analytics, digital technology, leading to hyper-personalization, enhanced customer convenience and improved customer service.

Hyper-personalization is that part of the customer experience that relates to the use of data to provide customers with highly personalised, targeted and relevant products, services, and content. Through hyperpersonalisation, companies identify the subtle details about their customers that traditional levels of personalisation are yet to capture.

Additionally, Covid-19 has had a profound effect on the number of customers who have become tech savvy, as they had to adopt online journeys to support their day-to-day activities. This will impact the future where there are far fewer direct interactions with customers through traditional channels, with the majority of interactions moving online.

Customer and market expectations with respect to sustainability and social responsibility are changing. Companies are increasingly incorporating Corporate Social Responsibility (CSR) and Environmental, Social, and Governance (ESG) principles into their business strategy, models, and governance.

At Ageas, Impact24 prioritises sustainability and has achieved specific targets, including 25% of inflows coming from ESG products, being top quartile on ESG ratings, and exceeding 10B EUR ESG investments, 50% social and 50% environmental. There are also actions in protection and healthcare, targeting megatrends like longevity and social protections, and tapping into the growing micro-finance market.

Next to the sustainability initiatives, several actions are ongoing across the Group, such as the customer experience & efficiency initiative on improving the customer journey through a structural program, implementing tech and data to increase efficiency and customer experience. Key indicators include Competitive Net Promoter Score and top-quartile ambition in all markets.

Technology & Data (PESTLE category – Technological)
Technology and data have an important impact on insurance sector's operations, products, and services. It includes factors such as automation, digitalization, and the adoption of new technologies that can affect the organization's competitiveness and sustainability.

Generative Artificial Intelligence (AI), with its significant advancements and growing maturity, is anticipated to substantially impact the insurance industry. However, the technology's integration also introduces new challenges, including the emergence of new risks like data privacy concerns, intellectual property rights, and ethical use.

Ageas has several Group communities and task forces that are working on technology development, including AI & Robotics Communities, Data Management & Governance Taskforce. Smart Automation Community, and Group Technology Development. In addition to the Group transversal projects, there are local initiatives in every operating company.

Future of work (PESTLE category – Economy)
The insurance sector is undergoing a significant transformation with technological advancements and global changes.

Technology developments like digitalisation, AI, and automation are increasing the need for reskilling and upskilling to drive responsible innovation and to retain the best employees.

Covid-19 has instigated a significant shift towards remote and hybrid work. Studies suggest that remote work can lead to greater efficiency and higher quality work. However, the effects of remote work on employee mental health vary. Mental well-being is pivotal for an employee's performance at work and their societal role.

Both the gig economy and Covid-19 have introduced new challenges for employee engagement and well-being, necessitating strategic adaptations for remote workers and enhanced workplace support systems. The future of work is uncertain, but adaptability and flexibility will be key for success.

'A great place to grow' for all employees is part of Ageas' Impact 24 strategy. Several Group transversal and local initiatives are underway, including Ageas Academy, Talent Management initiatives, Tech/Risk/Finance Talent Pools, building Group capabilities in areas as Tech & Digital platforms and ensure knowledge transfer between the different regions (e.g. Health, Protection, Sustainability…).

Cyber Crime Risks (PESTLE category – Technological)
The insurance sector is facing a significant increase in cyber-attacks. Making the industry a prime target for cybercrime due to its vast size and sensitive personal, medical, and corporate data,

As cyber threats continue to evolve and intensify, the insurance sector is predicted to innovate and transform, emphasizing the need for improved security measures, and partnerships in the tech industry to bolster cybersecurity solutions.

Across the Group several initiatives are ongoing, including an ISO27001 certification project with the aim to have all operating companies ISO27001 certified at the end of the Impact24 strategic cycle. Furthermore, Ageas has established a central Security Operating Centre (SOC) for 24/7 monitoring of critical infrastructure. This allows for immediate responses to security threats, including cyberattacks. The yearly Information Security Health Check results score above Gartner's benchmark Insurance World Wide.

Changing Geopolitical Landscape (PESTLE category – Economic)
Worldwide, there is a surge in political instability and uncertainties, with wars ongoing both in Ukraine, leading to tensions between the West and Russia, and in the Middle East. Simultaneously, the situation between North and South Korea, as well as the strained relations between China and Taiwan, remains highly precarious.

The invasion of Ukraine intensified international trade conflicts and geopolitical tensions. In response, countries, states, and companies are evaluating their dependencies on specific countries or partners, exploring strategies such as onshoring and diversification to reduce reliance.

Cyberattacks are a growing geopolitical risk, becoming larger, more intricate, and more relentless. They are a significant threat to individual organisations and national security.

The ongoing increase in migration flows in certain European nations may contribute to heightened social tensions. The migration crisis, a root cause of the rise of identity politics, has propelled nationalist and populist parties to the forefront in numerous European nations, this trend being extremely current with the situation in Middle East and with Gaza – Israel conflict.

The growth of nationalism, protectionism and populist movements in recent years has created an environment of increasing uncertainty and could potentially lead to deglobalization – a reversal or slowdown of globalization.

Risk scenarios and corresponding mitigation actions are regularly discussed at the Board including risk mitigating actions.

Whilst geo-political developments are outside of Ageas' control, Ageas Group and its local entities continue to closely monitor evolutions of geo-political conflicts and instability and resulting impacts on the business and strategy to prepare response plans where appropriate.

Monitoring is performed within the key risk reporting process (current risk impacts are mainly covered under the Top Risk Report Executive Summary) and within the emerging trends reporting (future risk).

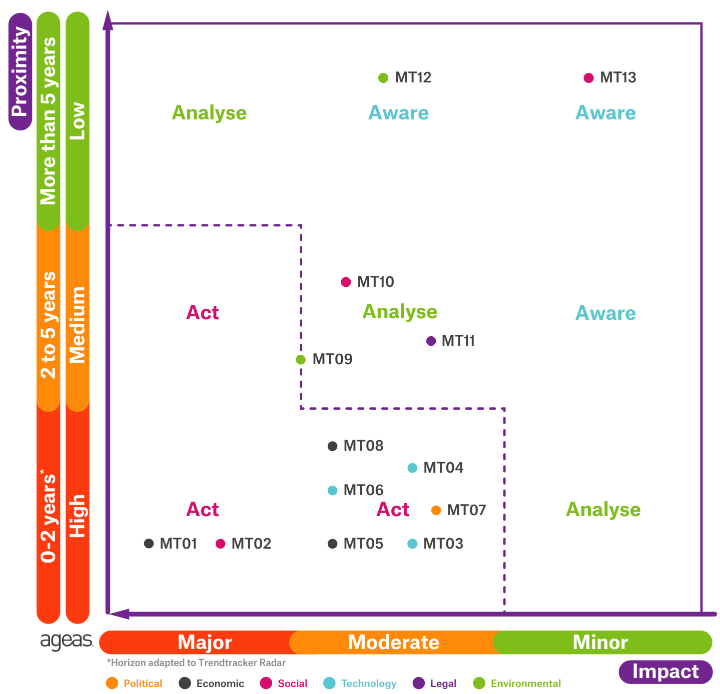
World economy (PESTLE category – Economic)
While the world economy has successfully skirted a recession for now, escalating geopolitical tensions threaten to impose new obstacles. The ongoing battle against inflation, coupled with the continuing Russia-Ukraine war, is already placing significant strain on the global economic framework. Further complicating matters are the instabilities in the Middle East and the evolving dynamics of global supply chains, which could adversely affect economic growth worldwide.

To be able to face, predict and mitigate those economic shocks Ageas is closely monitored within Group Strategy/Think2030, Investor Relations, Finance and Risk.

Climate Change (PESTLE category – Environmental)
Climate change is a significant concern due to an increased risk of natural disasters and related claims. The insurance industry is undergoing a t transition toward a net-zero emissions economy.

At Ageas, Impact24 strategy prioritises sustainability and has achieved specific targets, please refer to note A5 ‘Sustainablilithy’ of this Annual Report. As from 2021 different climate change scenarios are included in Ageas’ ORSA – – please refer to note “C. 2.6.3 Spotlight : Climate Change Risk Assessment” of this Annual Report.

The Group Emerging Risk Radar below reflects the emerging risks most relevant to business activities that have been identified as part of the 2023 Emerging Risk Process :



Heat Map Ref	MegaTrend	Sub-Trends	Proximity	Impact	Priority
MT01	Future of banking & financial services	Future financial services, Open insurance, InsurTech, Insurance as a service	3	3	Act
MT02	Consumer behaviour change	New customer needs & expectations, Phygital, Customer convenience, Hyper-personalization Embracing, robotics, Platform economy	3	3	Act
MT03	Technology & Data	Big Data / Data accessibility, availability & ethical use, Cryptocurrency, Distributed ledger	3	2	Act
MT04	Technology & Data	Internet of things, AI management, (Generative) AI, Deep fake, Metaverse, Robotics	3	2	Act
MT05	Future of work	Reskilling – Upskilling, Remote working Employee well-being, Work-life balance, Artificial intelligence	3	2	Act
MT06	Cyber Crime Risks	Cybercrime, Cyber attack, Internet fraud, Botnet, Catfishing, Cryptojacking	3	2	Act
MT07	Changing Geopolitical Landscape	Political instability, Geopolitical tensions, Geopolitics, Wars, Social conflicts	3	2	Act
MT08	World economy	Market development, Inflation, Higher cost of living, Economic recession, Government debt, Economic inequality, Monetary policies	3	2	Act
MT09	Environment	Climate change mitigation, Extreme weather events, Climate movement, Greenwashing	2	2	Act/ Analyse
MT10	Societal & health evolution	Social inequality, Health spendings, Digital health, Gender equality, Genomics	2	2	Analyse
MT11	Legal & regulation evolution	Increased regulation and supervisory scrutiny, Business Continuity & Resilience, Privacy Regulation, Artificial intelligence act, Corporate transparency,...	2	2	Analyse
MT12	Mobility & urbanization	Autonomous Vehicles, Zero-emission vehicle, Mobility-as-a-service, Smart city, Sustainable mobility	1	2	Aware
MT13	Demographic evolution	Human migration, Urbanisation, Longevity, Fertility	1	1	Aware

6.3 Spotlight: Climate Change Risk Assessment

Context

Climate change creates risks to the global economy and consequently to the stability of the financial system. These risks are already starting to materialise and have the potential to increase substantially in the future. They include:

- **physical risks** associated with an increase in claims and losses due to climate events (such as floods, droughts, storms) and changes in climate change patterns (such as sea level rise).
- **transition risks** related to asset value losses and increased operating costs resulting from disruptions and shifts associated with a (sudden) transition to a low-carbon economy.

As a large investor and insurer, Ageas is exposed to climate-related financial and insurance risks.

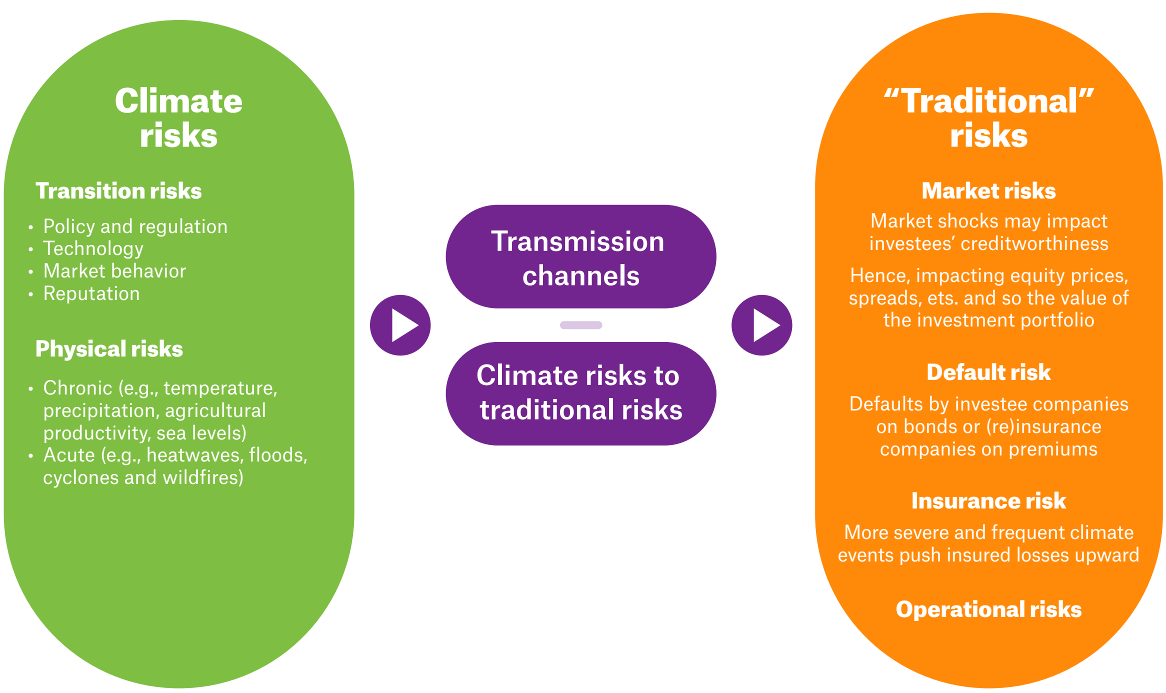
On the asset side of Ageas' balance sheet, both physical and transition risks could impact asset prices. This could occur either directly or indirectly through the impact of these risks on macro-economic variables such as interest rates and inflation. Some assets could see a more significant decrease in value than others, either through a higher cost of capital or a higher perceived risk related to the nature of their underlying activities or location. This could directly impact Ageas and its subsidiaries through changes in the value of its investment portfolio, as well as the economic value of its insurance and reinsurance liabilities, over different time horizons.

On the liabilities side of Ageas' balance sheet, changing climate conditions could have a potentially adverse impact on the frequency and/or severity of the perils for which Ageas and its subsidiaries underwrite insurance and reinsurance covers. These perils are mainly covered by non-life insurance contracts, however changes in mortality rates might also impact life insurance. Modelling the effects of the abovementioned climate risks is an important focus area for Ageas, as it helps to understand and manage climate impacts. This is essential to be able to form a strategic response and to maintain Ageas' long-term resilience.

Scenario analysis and climate stress tests based on different trajectories for future climatic, macro and financial conditions are relevant tools to conduct a forward-looking assessment of potential vulnerabilities related to climate change risks. Two types of studies were carried out for the 2023 ORSA, in line with previous exercises in 2021 and 2022 for the European consolidated entities (representing more than 95% of the total balance sheet at Q4 2023):

- A climate stress test whereby long-term projections of investment assets were made under different climate scenarios.
- Specific scenario analyses, both quantitative and qualitative, related to insurance liabilities.

See below an illustration of climate risks translation to traditional risk categories:



Climate Stress Test Setup

To better understand the potential impacts of transition and physical risks on our balance sheet, a climate stress test was carried out as part of the annual Own Risk and Solvency Assessment (ORSA). The stress test covers both sides of the balance sheet by measuring asset and liability specific stress impacts over long-term time horizons over which climate change could take place. This exercise was based on Q2 2023 balance sheet figures covering the European consolidated insurance entities. Projections were made, assuming a static balance sheet, of the impact of three different climate scenarios (early, late & current policies) on investment assets. This portfolio mainly includes bonds (corporate and sovereign), equities and real estate. Shocks were applied to the market value of these assets considering four different time horizons (2026, 2032, 2050, 2100) to enable Ageas to determine the respective impacts on a short- medium- and long-term basis.

For the implementation of the climate stress test, Ageas selected three long-term scenario narratives provided by Moody's, based on the NGFS reference scenarios representing different levels of transition and physical risks.

In the shocks for the early and late policies scenarios, Moody's considers both physical and transition risks, the latter mainly driven by carbon price forecasts. In the current policies scenario, only physical risks are considered. Hereby, both acute (floods, wildfires, hurricanes, and typhoons) and chronic (heat stress, sea-level rise, and water stress) physical risks are taken into account.

The narrative underlying the three scenarios was the following:

- **Early Policy Scenario (Net zero 2050)**: Global policymakers act immediately, i.e., in the first year of the forecast (2023), to stymie climate change and curtail carbon emissions, achieving net-zero carbon emissions by 2050 and a global temperature change of 1.5°C from preindustrial levels. The early policies scenario assumes that countries deliver on their commitments to decarbonize the global economy by 2050. Rapid global action means that physical risk is lowest in this scenario. Since action begins immediately, policy implementation can be gradual. While transition risk is present in this scenario from the first year of the forecast, it is low given the small incremental progress that is inherent in this scenario. Gradual changes to climate policy produce inflation by raising costs for fossil fuels but avoid an abrupt economic shock.
- **Late Policy Scenario (Delayed transition)**: Global policymakers put off action to curtail climate change and abate carbon emissions until 2030. As in the early policies scenario, countries with current commitments to reach net-zero emissions by 2050 meet their goals. Unlike the early policies scenario, the late policies scenario does not assume that those countries without commitments reach net-zero emissions. The emissions trajectory is therefore higher than in the early policies scenario, and global warming reaches 1.8°C compared with preindustrial levels by 2050. Because the action necessary to curtail carbon emissions is delayed, once action is taken, it must be more substantial. Once abatement policies begin, economic effects mount rapidly. The transition is much more disruptive to the global economy, forcing a recession in the early 2030s.
- **Current Policy Scenario**: This is a "hothouse world" scenario in which temperatures exceed 3°C and there is low use of carbon sequestration. Policy actions announced before 2021 are assumed to have taken place, but no new policies thereafter. Without any action to curtail climate change, transition risk is non-existent, but with carbon emissions left to rise unchecked, physical risks are maximized. The shock develops slowly throughout the forecast horizon. Physical damages take time to materialize, as carbon emissions lead to higher temperatures and economic dislocation only over the long term.

The three scenarios described above give rise to alternate trajectories of macro-economic variables such as GDP, interest rates, and inflation, as well as asset values and other financial variables. These are then compared with a so-called "reference scenario", in which no climate change impacts exist. This allows us to express climate impacts as shocks to be applied to the existing balance sheet.

Climate Stress Test Results

Ageas' results show the resilience of its investment portfolio to transition risks. The stress test results are largely in line with the findings from prior climate stress tests carried out in 2021 and 2022.
Mitigating actions essentially consist of judiciously choosing the sectors in which to invest. Ageas general investment principles notably include maintaining a high degree of diversification.

Through its investments, Ageas wants to support the net-zero greenhouse gas emissions target set by Europe for 2050:

- The Responsible Investment Framework requires ESG to be integrated within the investment analysis and decision-making process.
- As the first Belgian Asset Owner to join NZAOA, Ageas has made a strong commitment to reduce the carbon intensity of the equities and corporate bonds of its European consolidated entities by 50% by 2030. For its real estate portfolio, the decarbonization will be in line with the CRREM pathways (Carbon Risk Real Estate Monitor). These objectives are in line with the requirements of the NZAOA. As a result, Ageas is moving away from a long term 2050 commitment to a much closer 2030 intermediate target.

Putting sustainability as a focal point within Ageas's strategy and taking into account ESG criteria in investment decisions enables Ageas to give priority to the sectors resilient to transition risks.

Specific analysis: Non-Life

A number of specific analyses were carried out by the European consolidated entities related to the impact of climate change on insurance liabilities.

In particular, Ageas has previously analysed the impacts of climate change on the non-life portfolios of AG insurance and UK operations focusing on flood risks (inland and coastal) with a link to the interactions with windstorm perils (so-called extra tropical cyclones) and the wildfire peril for the Portuguese entities. The stress test provided impacts for different times horizons (up to 2050) based on the Intergovernmental Panel on Climate Change pathways, so-called Representative Concentration Pathways (RCPs) 4.5 and RCP 8.5.

Key overarching observations were derived from the assessment. Inland flooding in Belgium and the UK are among the main drivers for the impacts in the scenarios. It was also observed that under a 3°C warming scenario, the wildfire peril would extend substantially to the North and could become a relevant peril as well for the Northern European countries where Ageas is active. These observations have led Ageas to zoom in on specific items this year.

AG Insurance zoomed in on the net cost of an inland flooding event, taking into account the impact of reinsurance and Belgian state intervention. Currently, AG's risk mitigation activities are sufficient to continue respecting the company's risk appetite. Given that the market is evolving rapidly on the topic of climate change, evolutions with respect to the applicable legislation, the reinsurance market and catastrophe modelling are closely monitored. Ageas Insurance Limited (AIL) also performed an impact analysis for inland flooding based on RCP 2.6 and 8.5, concluding that the increased average loss projections do not currently indicate a likelihood of excessive or unmanageable price rises being necessary given flood's small contribution to peril-pricing in household insurance.

AG Insurance also zoomed in on the impact of subsidence on the P&C portfolio. In their initial assessment in 2021, they concluded that the estimated average yearly claims cost is unlikely to be material. Given the absence of any new information, subsidence is currently still considered as a minor peril in the context of climate change. It will however continue to be monitored given that the uncertainties around its modelling are even greater than for other natural perils. AIL also performed an analysis for this risk and reached similar conclusions.

Finally, Ageas Portugal zoomed in on its exposure to climate change events by region and by personal lines for the perils storm, flood, and fire.

Specific analysis: Life

Increased mortality due to heatwaves is a well-known phenomenon in continental Europe and given the trend of increased summer temperatures it could be expected that both the frequency and severity of heatwaves would be impacted by climate change.

While increased mortality due to heatwaves is indeed observed, this effect is mostly restricted to the elderly population, especially when combined with age-related morbidities such as Alzheimer. A major part of death covers at the European consolidated entities are related to working-age individuals (e.g., Savings & Employee Benefits), leading to the conclusion that the effect on this portfolio should be limited. Nonetheless, Ageas will continue to closely monitor the evolution of this risk.

It is important to highlight that the views expressed above were formed relying on the information available at the time of assessment and that there remains inherent uncertainty of modelling climate change impacts. We acknowledge that climate change modelling is in its relative infancy and that our views will be updated and deepened regularly as more information and recognized models become available.

Actions

While climate change modelling has come a long way, considerable modelling uncertainties remain. Our climate stress testing framework will evolve over the coming years as more information and standardized industry models become available. Nonetheless, a number of actions have already been identified to further develop our climate stress testing methodology, in particular:

- Develop a consolidated climate stress test, which will, amongst others require the development of capacity for performing similar studies at the non-European subsidiaries.
- Continue to develop and challenge the scenarios for measuring transition and physical risk impacts on investments & ALM.
- Continue to refine investment portfolio granularity in terms of sensitivity to climate risks.
- Develop a group-level approach to assess insurance risks as part of the annual climate stress test.

7. Details of various risk exposures

The following sections explain Ageas's risk types and various risk exposures in more detail.

7.1 Financial risk

Financial risk encompasses all risks relating to the value and performance of assets and liabilities that may affect solvency, earnings, and liquidity due to changes in financial circumstances. These include :
- Market risk;
- Default risk;
- Liquidity risk;
- Intangible assets risk.

Financial risk is the most material risk for many of Ageas's operations. The risk framework in place at all operations combines investment policies, limits, stress tests and regular monitoring to control the nature and level of financial risks and to ensure that risks being taken are appropriate for both customer and shareholder and are appropriately rewarded.

The overall asset mix is determined by local businesses based on asset mix studies to identify the appropriate strategic assets, their adequacy from an ALM perspective and on regular monitoring of the market situation and prospects to decide on the tactical allocation. The decision process needs to balance risk appetite, capital requirements, long-term risks and return, policyholder expectations, profit sharing requirements, tax and liquidity issues to arrive at an appropriate target mix. The mission of the Group Risk function includes monitoring aggregate exposures against risk appetite regarding financial risks and working with the local businesses to develop policies and best practice, which must be adopted by the local Boards to ensure they become part of the local regular activity.

7.1.1 Market risk

Market risk arises from adverse change in the financial situation resulting, directly or indirectly, from fluctuations in the level and in the volatility of market prices of assets and liabilities.
It is composed of the following sub-risks :
a. Interest rate risk;
b. Equity risk;
c. Spread risk;
d. Currency risk;
e. Property risk;
f. Market concentration risk;
g. Inflation risk;
h. Market risk sensitivity.

The market risk section also includes sensitivities of Ageas' Pillar 2 Solvency Ratio to instantaneous movement in the individual sub-risks.

A. Interest rate risk
Interest rate risk exists for all assets and liabilities sensitive to changes in the term structure of interest rates or interest rate volatility. This applies to both real and nominal term structures. The risk arises as a result of a mismatch between the sensitivity of assets and liabilities to changes in interest rates and associated volatility, which can adversely impact the earnings and solvency position. Changes in risk-free rates can also affect the products the insurance companies sell, for example, through guarantees or profit sharing.

Ageas measures, monitors, and controls its interest rate risk using a number of indicators including cash flow mismatch analysis and stress testing. The investment and ALM policies usually require close matching unless specifically approved otherwise. Longer-term business can be difficult to match due to lack of availability of suitable assets. The matching strategy will be determined taking into account risk appetite, availability of (long-term) assets, current and prospective market rates and levels of guarantee. Derivatives are sometimes used to hedge interest rate risk. Note that low interest rates have been defined as a strategic risk with focus on fixed/variable cost structure.

B. Equity risk
Equity risk arises from the sensitivity of assets and liabilities and financial instruments to changes in the level or volatility of market prices for equities or their yield, which can impact earnings and the solvency position.

This risk is controlled through limit setting based on the risk appetite and by investment policies that require a range of controls to be in place including the action that will be taken in the event of significant decreases in value. Pro-active management of this risk can result in the rapid reduction in exposure to equity risk through sales and hedging. This helps to limit losses and to ensure that the insurance companies remain solvent throughout a financial crisis.

For risk management purposes, Ageas bases its definition of equity exposure on the economic reality of underlying assets and risks. Taking a risk-based approach; the total economic exposure to equities at fair value is given in the table below together with the reconciliation to the IFRS reported figures.

	31 December 2023	31 December 2022
Type of asset		
Direct equity investments	2,885	2,272
Equity funds	1	30
Private equity	6	
Total Economic equity exposure	**2,892**	**2,302**
Debt funds		
Money market funds		
Real estate funds (SICAFI/REITS)	305	286
Total IFRS equity exposure	**3,197**	**2,588**
of which:		
Measured at FVTPL (see note 2)	154	120
Measured at FVOCI (see note 2)	3,043	2,468

C. Spread risk

Spread risk results from the sensitivity of the value of assets and liabilities and financial instruments to changes in the level or in the volatility of spreads over the risk-free interest rate term structure.

A significant portion of Ageas's liabilities are relatively illiquid. Ageas generally aims to hold credit assets to maturity. This limits the long-term impact of spread risk significantly because Ageas typically holds these assets to maturity in line with its long-term illiquid liabilities. Although short-term volatility can be significant, it is unlikely that Ageas would be forced to sell at distressed prices, even though Ageas can choose to liquidate these assets if it considers this the best course of action.

For internal risk management purposes, Ageas considers the sensitivity to long-term fundamental spread risk, similar to the Solvency II "Volatility Adjustment" concept, but taking into account its specific portfolio characteristics. This is considered more in line with Ageas's business model, where realising capital losses is generally avoided, compared to a pure mark-to-market approach.

Ageas's spread risk treatment in the SCR_{ageas} is as follows:

- Inclusion of fundamental spread for EU sovereign and equivalent exposures;
- Exclusion of non-fundamental spread for other debt.

D. Currency risk

Currency risk arises from the sensitivity of assets and liabilities to changes in the level of currency exchange rates when there is a mismatch between the relevant currency of the assets and liabilities. At Group level, this includes situations where Ageas has assets (in subsidiaries and equity associates) or liabilities (from funding) that are non-euro denominated.

Ageas's investment policy limits this risk by requiring the currency mismatch between assets and liabilities within subsidiaries to be minimised and in most cases it is eliminated entirely.

Ageas's policy is not to hedge equity investments and permanent funding for subsidiaries and equity associates in foreign currency. Ageas accepts the mismatch arising from ownership of local operating companies in non-euro currencies as a consequence of being an international group.

The main currency risk exposures to foreign currencies at 31 December are stated in the following table. The exposures shown are net (assets minus liabilities), after any hedging denominated in euros.

31 December 2023	HKD	GBP	USD	CNY	INR	MYR	PHP	THB	VND	RON	TRY	Other
Total assets	384	3,112	768	2,121	2,076	463	55	817	23	26	176	64
Total liabilities	23	2,503	36		1,621			11		1		21
Total assets minus liabilities	361	609	732	2,121	455	463	55	806	23	25	176	43
Net notional amount of derivatives - to receive		57										
Net notional amount of derivatives - to deliver		19	346									3

31 December 2022	HKD	GBP	USD	CNY	INR	MYR	PHP	THB	VND	RON	TRY	Other
Total assets	334	2,895	849	2,204	1,920	599	57	767	23	26	188	53
Total liabilities	11	2,441	40		1,493					1		6
Total assets minus liabilities	323	454	809	2,204	427	599	57	767	23	25	188	47
Net notional amount of derivatives - to receive		53										
Net notional amount of derivatives - to deliver		20	506									3

E. Property risk

Property risk arises as a result of sensitivity of assets and liabilities to the level or volatility of market prices of property or their yield.

For risk management purposes, Ageas defines the exposure to real estate based on the market value of these assets, including assets held for own use and IFRS 16 lease assets. The exposure considered differs from the exposure reported under IFRS definitions, which excludes unrealised gains or losses. The table below identifies what Ageas considers economic exposure to real estate and how this is reconciled to the figures reported under IFRS.

For internal risk management purposes, Ageas applies an internal model for real estate in its main subsidiaries, in which real estate risk is treated according to the underlying economic exposure, rather than IFRS classification of the assets.

	31 December 2023	31 December 2022
Type of asset		
Carrying amount		
Investment properties (see note 3)	2,975	3,030
PP&E: land and buildings for own use and Car parks (see note 5)	2,187	2,038
Property intended for sale (see note 8)	270	240
Total (at amortised cost)	**5,432**	**5,308**
Real estate funds (at fair value)	305	286
Total IFRS real estate exposure	**5,737**	**5,594**
Unrealised capital gain (Economic exposure)		
Investment properties (see note 3)	941	1,237
PP&E: land and buildings for own use (see note 5)	828	733
Total Economic real estate exposure	**7,506**	**7,564**

F. Market Concentration risk

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

Concentration risk can arise due to large aggregate exposures to single counterparties or an aggregate of exposures to a number of positively correlated counterparties (i.e., tendency to default under similar circumstances) with the potential to produce a significant number of impairments due to a bankruptcy or failure to pay.

Avoidance of concentration is therefore fundamental to Ageas's credit risk strategy of maintaining granular, liquid and diversified portfolios. Each local business is responsible for its own counterparty limits, taking into account its particular situation and any Group requirements. Each local business is in charge of continuous monitoring. Periodic reporting allows the Group to check these limits and monitor the overall position.

To manage the concentration of credit risk, Ageas's investment limits aim to spread the credit risk across different sectors and countries. Ageas monitors its largest exposures to individual entities, groups of companies (Total One Obligor) and other potential concentrations such as sectors and geographic areas to ensure adequate diversification and identification of significant concentration risk.

The table below provides information on the concentration of credit risk at 31 December by type and by location of the Ageas entity.

31 December 2023	Government and official institutions	Credit Institutions	Corporate Customers	Retail Customers	Other	Total
Belgium	28,017	107	20,403	1,005	1,086	50,618
Europe (excluding Belgium)	3,406	132	3,988	177	280	7,983
Asia	830	70	345		51	1,296
Reinsurance		550	909		502	1,961
General Account and eliminations*	598	52	(1,391)		115	(626)
Total	**32,851**	**911**	**24,254**	**1,182**	**2,034**	**61,232**

31 December 2022	Government and official institutions	Credit Institutions	Corporate Customers	Retail Customers	Other	Total
Belgium	27,397	211	18,947	1,044	741	48,340
Europe (excluding Belgium)	3,853	117	3,841	183	285	8,279
Asia	770	73	317		48	1,208
Reinsurance		535	978		336	1,849
General Account and eliminations*	478	(102)	(1,346)		21	(949)
Total	**32,498**	**834**	**22,737**	**1,227**	**1,431**	**58,727**

* *The line 'General Account and eliminations' is mainly linked to the reinsurance program and Group Treasury.*

The table below provides information on the concentration of credit risk at 31 December by type and location of counterparty.

31 December 2023	Government and official institutions	Credit Institutions	Corporate Customers	Retail Customers	Other	Total
Belgium	15,192	135	3,200	66	732	19,325
Europe (excluding Belgium)	16,788	206	17,839	177	1,142	36,152
Asia	830	570	595		160	2,155
Other countries	41		2,620	939		3,600
Total	**32,851**	**911**	**24,254**	**1,182**	**2,034**	**61,232**

31 December 2022	Government and official institutions	Credit Institutions	Corporate Customers	Retail Customers	Other	Total
Belgium	15,927	198	3,263	75	709	20,172
Europe (excluding Belgium)	15,756	313	16,640	183	724	33,616
Asia	770	283	581		35	1,669
Other countries	45	40	2,253	969	(37)	3,270
Total	**32,498**	**834**	**22,737**	**1,227**	**1,431**	**58,727**

The table below shows the highest exposures to ultimate parents measured at fair value and nominal value with their ratings.

Highest Exposure Top 10	Group Rating	Fair Value	Nominal Value
Kingdom of Belgium	AA-	14,357	14,438
French Republic	AA	4,306	4,019
Kingdom of Spain	A-	2,352	2,387
Portuguese Republic	A-	2,341	2,261
European Union	AAA	1,595	1,682
Republic of Austria	AA+	1,580	1,478
Kingdom of the Netherlands	AAA	1,235	1,364
Republic of Italy	BBB	1,079	1,305
Federal Republic of Germany	AAA	1,020	877
European Investment Bank	AAA	980	1,008
Total		**30,845**	**30,819**

The Kingdom of Belgium remains the top counterparty. Large exposures in Life insurance subsidiaries typically result from the practice of holding large domestic sovereign positions.

G. Inflation Risk

Inflation risk arises through the impact of the level or volatility of inflation rates on the value of assets & liabilities.

Ageas does not actively seek to take on inflation risk; however, it may choose to hold assets whose returns are explicitly linked to inflation. Moreover, some insurance liabilities are explicitly or implicitly dependent on inflation rates. Inflation risk can manifest in different ways, such as higher than anticipated expenses and claims costs.

Life insurance obligations are typically expressed in nominal terms, however for Non-Life and Health lines inflation can result in claims that are higher than assumed in terms of pricing. This can be mitigated through periodic review of product pricing and through controls in the claims management process.

Where Ageas considers that the inflation risk is not adequately covered in under the regulatory capital regime or through indirect methods, it may consider an explicit add-on for inflation risk under Pillar II. This is currently done in countries with material inflation risk related to annuities stemming from Workers' Compensation policies.

H. Market risk sensitivity

On an annual basis, Ageas runs an analysis of the impacts associated to the key market risk factors. The results are available in the table below. They show the sensitivity of the Pillar 2 Solvency Ratio (SCR_{Ageas}) as at Q4 2023 and Q4 2022 to the specific stand-alone risk factors. Sensitivity of the Pillar 1 Solvency Ratio (SCR_{PIM}) will be disclosed in the Solvency and Financial Condition Report. The selection and the calibration of the scenarios do not express Ageas' expectations of future market evolution.

Key conclusions for each sensitivity are as follows:

Based on Solvency II ageas		SII Own Funds	Solvency Capital Requirement	Solvency Ratio	Impact S/R	Impact S/R 2022
Base case	***Before stress***	**7,665**	**3,533**	**217%**		
Yield curve	*Down -50bps*	7,777	3,643	213%	(3%)	(8%)
Yield curve	*Up +50bps*	7,509	3,481	216%	(1%)	(12%)
Yield curve	*Steepening*	7,740	3,541	219%	2%	7%
Equity	*Down -25%*	7,145	3,487	205%	(12%)	(11%)
Spreads	*Corporate spreads up +50bps*	7,660	3,545	216%	(1%)	(3%)
Spreads	*Government spreads up +50bps*	7,480	3,621	207%	(10%)	(9%)
Property	*Down -10%*	7,465	3,634	205%	(11%)	(12%)
Inflation	*Parallel Shock +50bps*	7,652	3,503	218%	2%	(5%)

Key elements for interpreting each sensitivity are:

Interest Rates: Yield Curve

- Down: - 50bps
  - Sensitivity applies a shock on the yield curve of -50 bps. The shock is applied on the non-extrapolated part of the yield curve impacting both assets & liabilities. This shocked market data is extrapolated to the UFR reaching 3.45%, in line with the EIOPA guidance. No floor is applied, allowing negative interest rates.
  - The impact on the solvency ratio is reduced, mainly due to changes in the profit sharing model introduced to improve the Loss Absorbing Capacity of the Technical Provisions in a mass lapse scenario.

- Up + 50bps
  - Sensitivity applies a shock on the yield curve of +50 bps. The shock is applied on the non-extrapolated part of the yield curve impacting both assets & liabilities. This shocked market data is extrapolated to the UFR reaching 3.45%, in line with the EIOPA guidance.
  - Among other impacts, the yield curve shock also has an impact on the capital requirements for life underwriting risk.The calculation of the Group solvency capital requirements includes capital for a mass lapse shock that is calibrated at 40% in the Solvency II standard formula. An increase in the yield curve leads to an increase in the capital requirements for life underwriting risks and, as a consequence, in the risk margin.
  - In the Q4 2023 results, the positive impacts of the yield curve increase on the own funds and the SCR are offset by the increase in the life underwriting risk and its impact on the risk margin. The offset is however reduced thank to the improved Loss Absorbing Capacity of the Technical Provisions in a mass lapse scenario.
  - The mass lapse shock calibration in the standard formula is overly conservative, in particular when comparing with historical lapse figures in Belgium, where various strong incentives apply to encourage policyholders to keep their contracts (State's guarantee on deposits and surrender penalties).

- Yield curve steepening
  - Sensitivity applies a non-parallel shock on the yield curve using the tenor difference between 20 years and 2 years to define the steepness of the curve; The steepness is set to +1.5% and -1,5% respectively. The shock is applied on the non-extrapolated part of the yield curve impacting both assets & liabilities. This shocked market data is extrapolated to the UFR reaching 3.45%, in line with the EIOPA guidance.

Equity -25%

This sensitivity applies a shock on the equity portfolio of -25%.

- The impact on the Own Funds is partially mitigated by a corresponding decrease of the equity shock in the SCR thanks to a review of the EIOPA equity symmetric adjustment to -10%. As at Q4 2023, the symmetric adjustment was +1,5pp vs –3pp in 2022.
- The equity symmetric adjustment does not apply on the equity shock of specific equity exposures such as Long-Term Equity or portfolios which are protected to a maximum shock which is below the equity shock after application of the equity symmetric adjustment.
- In the Q4 2023 results, the sensitivity to Equity increases mainly due to higher equity exposure, partially offset by the buffering of the symmetric adjustment..
- On average, the equity SCR shock decreased compared to 2022 given an increasing part of the portfolio is treated as Long Term Equity charged at a fixed capital charge of 22% without application of the symmetric adjustment while another part is invested in equity funds benefiting from embedded downward protection.

Credit Spread: Corporate vs Sovereign Spread +50bps

- This sensitivity applies a credit spread shock of +50bps for the corporate respectively the sovereign fixed income portfolios.
- For Pillar 2, the credit spread modelling refinement introduced in 2017 reduced strongly the impact of credit spread volatility thanks to the better compensation between assets and liabilities. The Expected Loss Model (ELM) is introduced in core Life companies, materially exposed to spread volatility. ELM replaces the EIOPA VA to absorb short term spread volatility by a reflection of realized losses due to credit losses.
- The Company EIOPA VA was introduced in the other companies and absorbs also better credit spreads shocks thanks to the elimination of the basis risk between the own assets and the EIOPA reference portfolio embedded in the EIOPA VA.
- Credit ratings are not impacted as part of these credit spread sensitivities and consequently no downgrade of credit ratings is assumed. Considering that the implementation of the credit spread modelling refinement determines the fundamental spread risk mainly based on the credit rating, credit rating downgrade of material exposures will also have a negative impact on the pillar 2 solvency ratio.

Property - 10%

- This sensitivity applies a shock on property of -10%.

Inflation +50bps

- This sensitivity assesses the impact of market inflation on direct exposure where an explicit modelling of inflation is taken into account.
- An increase in inflation may also lead to yield curve movements, yet a global yield curve change has not been assumed. Also, the sensitivity does not reflect secondary impacts (e.g., on the value of equities, real estate, specific claim inflation, yield curve movements). Finally, the inflation wedge assumptions remain unchanged, in line with quarterly calculation.
- The Q4 2023 results show that the inflation shock would have a positive impact on the solvency, mainly reflecting investments in inflation-linked bonds done during the year.

7.1.2 Default risk

Default risk is composed of two sub-risks:

a. investment default risk;
b. counterparty default risk.

The credit exposures can be found in Note 2 Financial investments and Note 8 Accrued interest and other assets.

A. Investment default risk

The investment default risk represents the risk of actual default of Ageas' s investments. Value movements due to market short-term volatility are covered under market risk. This does not include contracts covered under counterparty default risk (see section B).

This risk is managed through limits which take into account the type of credit exposure, credit quality and, where needed, maturity, and through regular monitoring and early warning systems.

Investment exposures are monitored through a quarterly Limit Breach Report. Limits are monitored on fair values based on asset classification. The limits are defined by the following categories.

Limits on government bonds are defined by country in multiple ways:

- 'macro limits', defined as percentages of gross domestic product (GDP), government debt and investment assets;
- Total One Obligor (TOO) limits defined as maximum exposure to one obligor based on credit ratings;
- (re-)investment restrictions: Increases in exposure to sovereigns rated BBB are only allowed on the condition of having a stable outlook. No new investments in sovereign debt with a rating below BBB without the approval of the Ageas Risk Committee.

Limits on corporate bonds are also defined on multiple criteria:

- Total corporate bonds exposure as a percentage of the portfolio;
- Limits in function of the solvency capital required for spread risk;
- Limits by sector based on the credit ratings;
- Monitoring of concentrated exposure;
- Total One Obligor.

At the Group level, a quarterly overview is provided of the largest single name exposures across the Group. This overview is used as a basis for a more in-depth credit review of large exposures in the Ageas Risk Committee.

Ageas regularly assesses the impact of negative credit scenarios such as defaults & downgrades on its investment assets as part of its regular stress testing.

The credit rating applied by Ageas is based on the second best available rating from Moody's, Fitch and Standard & Poor's. For specific exposure types, other rating agencies can be used, for example AM Best for reinsurance counterparties. In the paragraphs hereafter, more detail is provided on the credit quality of: loans; interest bearing investments; government bonds; corporate bonds; banks and other financials.

Within the Risk Appetite framework, each local entity monitors earning impacts linked to defaults and movements in ECL related to changes in the economic cycle or stage migration.

Debt securities

The table below outlines the credit quality of debt securities showing a constant proportion of investment grade investments at 31 December.

31 December 2023	12-month ECL (stage 1)	Lifetime ECL not credit impaired (stage 2)	Lifetime ECL credit impaired (stage 3)	Purchased or originated credit-impaired	Total
AAA	3,931				3,931
AA	20,151				20,151
A	11,288				11,288
BBB	8,373				8,373
Investment Grade	**43,743**				**43,743**
Below investment grade	292	45	14		351
Unrated	4,240				4,240
Maximum credit risk exposure of debt securities measured at amortised cost and FVOCI	**48,275**	**45**	**14**		**48,334**
Impairments ECL	(32)	(1)	(14)		(47)
Amortised cost of debt securities measured at amortised cost and FVOCI	**48,243**	**44**			**48,287**
Net carrying amount of debt securities measured at amortised cost and FVOCI					**46,718**

31 December 2022	12-month ECL (stage 1)	Lifetime ECL not credit impaired (stage 2)	Lifetime ECL credit impaired (stage 3)	Purchased or originated credit -impaired	Total
AAA	2,992				2,992
AA	21,774				21,774
A	8,967				8,967
BBB	10,450				10,450
Investment Grade	**44,183**				**44,183**
Below investment grade	307	64			371
Unrated	3,912		20		3,939
Maximum credit risk exposure of debt securities measured at amortised cost and FVOCI	**48,402**	**64**	**20**		**48,493**
Impairments ECL	(12)	(1)	(20)		(33)
Amortised cost of debt securities measured at amortised cost and FVOCI	**48,390**	**63**			**48,460**
Net carrying amount of debt securities measured at amortised cost and FVOCI					**45,269**

Loans

The table below provides information on the credit quality of loans.

31 December 2023	12-month ECL (stage 1)	Lifetime ECL not credit impaired (stage 2)	Lifetime ECL credit impaired (stage 3)	Purchased or originated credit-impaired	Total
AAA	1,173				1,173
AA	2,283				2,283
A	2,259				2,259
BBB	1,650				1,650
Investment Grade	**7,365**				**7,365**
Below investment grade	10		20		30
Unrated	1,744	6	11	14	1,775
Maximum credit risk exposure of loans measured at amortised cost and FVOCI	**9,119**	**6**	**31**	**14**	**9,170**
Impairments ECL	(9)		(21)		(30)
Amortised cost of loans measured at amortised cost and FVOCI	**9,110**	**6**	**10**	**14**	**9,140**
Net carrying amount of loans measured at amortised cost and FVOCI					**8,743**

31 December 2022	12-month ECL (stage 1)	Lifetime ECL not credit impaired (stage 2)	Lifetime ECL credit impaired (stage 3)	Purchased or originated credit-impaired	Total
AAA	1,276				1,276
AA	2,272				2,272
A	2,249				2,249
BBB	1,565				1,565
Investment Grade	**7,362**				**7,362**
Below investment grade	10		20		30
Unrated	1,854	5	16	19	1,894
Maximum credit risk exposure of loans measured at amortised cost and FVOCI	**9,226**	**5**	**36**	**19**	**9,286**
Impairments ECL	(5)		(23)		(28)
Amortised cost of loans measured at amortised cost and FVOCI	**9,221**	**5**	**13**	**19**	**9,258**
Net carrying amount of loans measured at amortised cost and FVOCI					**8,583**

Lease and Trade Receivables
The table below outlines the credit quality of trade and lease receivables with the loss allowance under simplified approach.

31 December 2023	Gross carrying amount	Loss allowance	Weighted average loss rate	Credit impaired
Current, not past due	694	(2)	0.29%	No
1-30 days past due	38			No
31-60 days past due	20			No
61-90 days past due	36			No
More than 90 days past due	128	(36)	28.13%	Yes
Total trade and lease receivables	**916**	**(38)**	**4.15%**	

31 December 2022	Gross carrying amount	Loss allowance	Weighted average loss rate	Credit impaired
Current, not past due	592	(4)	0.68%	No
1-30 days past due	40			No
31-60 days past due	16			No
61-90 days past due	33			No
More than 90 days past due	66	(35)	53.03%	Yes
Total trade and lease receivables	**747**	**(39)**	**5.22%**	

Change in Fair Value of Financial Assets and Liabilities Designated at FVTPL due to change in credit risk
The changes in fair value attributable to changes in own credit risk of these financial liabilities are recognised in other comprehensive income unless such recognition would create an accounting mismatch in the income statement.

The financial liabilities not related to policyholders are measured at amortised cost.

B. Counterparty default risk
Counterparty default risk reflects possible losses due to unexpected default, or deterioration in the credit standing, of counterparties and debtors. The scope of the counterparty default risk category includes risk-mitigating contracts (such as reinsurance arrangements, securitisations, and derivatives), cash, receivables from intermediaries, diversified mortgage portfolios, and other credit exposure not covered elsewhere.

Counterparty default risk can arise due to the purchase of reinsurance or other risk mitigation contracts. Ageas minimises this risk through policies on counterparty selection, collateral requirements, and diversification.

Within Ageas, this risk is mitigated through the application of Ageas's Default Risk Policy and close monitoring of outstanding counterparty default positions. Diversification and avoidance of low rated exposures are key elements in the mitigation of this risk.

Impairment for specific credit risk is established if there is objective evidence that Ageas will not be able to collect all amounts due in accordance with contractual terms. The amount of the impairment is the difference between the carrying amount and the recoverable amount. In the case of market traded securities, the recoverable amount is the fair value.

Impairments are based on Ageas's latest estimate of the recoverable amount and represent the loss that Ageas considers it will incur. Conditions for write-off may be that the obligor's bankruptcy proceedings have been finalised and securities have been exhausted, the obligor and/or guarantors are insolvent, all normal recovery efforts have been exhausted, or the economic loss period (i.e., the period within which all expenses will exceed the recoverable amount) has been reached.

Reinsurance contract assets

The table below outlines the credit quality of reinsurance contract assets at 31 December.

	31 December 2023	31 December 2022
AAA		
AA	209	254
A	502	461
BBB	1	2
Investment Grade	**712**	**717**
Below investment grade		
Unrated	4	13
Maximum credit risk exposure of reinsurance contract assets	**716**	**730**
Net carrying amount of reinsurance contract assets	**653**	**677**

7.1.3 Liquidity risk

Liquidity risk is the risk of being unable to liquidate investments and other assets to settle financial obligations when they fall due. For example, this can occur when unexpected cash demands of policyholders, and other contract holders, cannot be met without suffering losses or without endangering the business franchise due to constraints on liquidating assets. These constraints may be structural or due to market disruption.

The financial commitments of Ageas and its local businesses are often long-term, and generally assets held to back these would be long-term and may not be liquid. Claims and other outflows can be unpredictable and may differ significantly from expected amounts. If liquid resources are not available to meet a financial commitment as it falls due, liquid funds will need to be borrowed and/or illiquid assets sold (which may trigger a significant loss in value) to meet the commitment. Losses would arise from any discount that would need to be offered to liquidate assets.

As an insurance group, Ageas is normally cash accretive and hence this risk is relatively remote. Ageas keeps a cash position to be able to withstand adverse liquidity conditions if and when arising. Special attention is paid to the messages from central banks on potential changes in monetary policy stance. Dividend payments to shareholders together with holding costs are financed by dividend upstream from Ageas operating insurance entities. Reinsurance operations at the holding level are also managed separately from a liquidity perspective.

Causes of liquidity risk can be split into elements that can create a sudden increase in the need for cash and elements that can reduce unexpectedly the availability of expected resources to cover cash needs. Types of liquidity risk are the following:

- *Underwriting liquidity risk* is the risk that Ageas or a local business needs to pay a material amount to cover unanticipated changes in customer behaviour (lapse risk), sudden rise in frequency claims or sudden large claims resulting from large or catastrophic events such as windstorms, ash clouds, flu pandemic, etc.;
- *Market liquidity risk* is the risk that the process of selling in itself results in losses due to market conditions or high concentrations;
- *Funding liquidity risk* is the risk that Ageas or a local business will not be able to obtain sufficient outside funding, in case its assets are illiquid, at the time it is needed (for example, to meet an unanticipated large claim).

Each business has to ensure they can meet all liquidity requirements by identifying and monitoring liquidity risk, so that the circumstances under which liquidity issues could be possible are known and understood (i.e. unexpected adverse change in liability run-off profile, mass lapse event, slowdown in new business, change in rating), as well as the business's ability to respond to such issues (i.e. liquidity of assets in a crisis) is clear.

Management of liquidity risk is performed through a limit framework. Limits are in place locally and provide an indication of the net liquidity position. Ratios are considered where liquid assets are compared against liquid liabilities over different time horizons (3 months/1year) according to liquidity risk events. Minimum levels of these ratios are defined and actively used in the liquidity profile. In setting these limits, consideration has been given to the circumstances under which liquidity is assessed (stressed versus normal conditions).

The following table provides an overview of the expected outflows stemming from insurance contracts and the amounts from insurance contract liabilities that are payable on demand. Note that liquidity is managed within the individual insurance companies.

31 December 2023	Undiscounted estimate of future cash outflows: Less than one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Effect of discounting	Total	Amount payable on demand
Insurance contracts issued not measured under the PAA									
Insurance contract assets - Life	(1)	(1)	(1)	(1)	(1)	(21)	7	(19)	
Insurance contract assets - Non-life									
Insurance contract liabilities - Life	4,468	2,658	3,405	4,228	3,696	51,630	(21,651)	48,434	48,359
Insurance contract liabilities - Non-life	(36)	(32)	(30)	(27)	(10)	1,009	(733)	141	
Total net cash outflows from insurance contracts issued not measured under the PAA	**4,431**	**2,625**	**3,374**	**4,200**	**3,685**	**52,618**	**(22,377)**	**48,556**	**48,359**

31 December 2022	Undiscounted estimate of future cash outflows: Less than one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Effect of discounting	Total	Amount payable on demand
Insurance contracts issued not measured under the PAA									
Insurance contract assets - Life		(1)	(1)	(1)	(1)	(25)	9	(20)	
Insurance contract assets - Non-life									
Insurance contract liabilities - Life	4,270	3,881	2,835	3,518	4,415	51,346	(22,771)	47,494	47,385
Insurance contract liabilities - Non-life	(24)	(24)	(23)	(21)	(4)	929	(697)	136	
Total net cash outflows from insurance contracts issued not measured under the PAA	**4,246**	**3,856**	**2,811**	**3,496**	**4,410**	**52,250**	**(23,459)**	**47,610**	**47,385**

7.1.4 Intangible assets risk

Intangible assets risk is the risk of loss or adverse change in the value of intangible assets due to a change in expected future benefits to be gained from the intangible assets. Intangible assets can consist among others of parking concessions and intellectual property. Assets that are classified as intangible assets under IFRS but economically are subject to specific risks (e.g. property) are included in the internal capital view under Pillar 2.

	31 December 2023	31 December 2022
Carrying amount (IFRS exposure)		
Car park concessions (see note 6)	502	502
Other intangible assets (see note 6)	139	134
Total IFRS real estate exposure (Intangible assets)	**641**	**636**
Unrealised capital gain (Economic exposure)		
Car park concessions (see Comprehensive Equity)	197	196
Other intangible assets (see Comprehensive Equity)	45	
Total Economic real estate exposure (Intangible assets)	**883**	**832**

7.2 Insurance liability risks

Insurance liability risks refer to all insurance underwriting risks due to deviations in claims arising from uncertainty and timing of the claims as well as deviations in expenses and lapses, compared to underlying assumptions made at the point of underwriting of the policy.

Life risks include mortality risk, longevity risk, disability, morbidity risk (i.e., critical illness risk), lapse and persistency risk, expense risk, catastrophe risk and revision risk.

Non-life risks include reserve risk, premium risk, and catastrophe risks. Reserve risk is related to outstanding claims, while premium risk is related to future claims from which catastrophe claims are excluded. Catastrophe risk is related to claims arising from catastrophic events, either natural disasters or man-made events.

Each business manages insurance risks through a combination of Underwriting Policy, Product Approval Policy, Reserving Policy, Claims Management Policy, and Reinsurance Policy. Particular attention is paid to ensuring that the customer segment that buys the product is consistent with the underlying assumptions made about the customers when the product was designed and priced.

Underwriting policies are adopted as part of the overall Enterprise Risk Management framework and are revised by actuarial staff, who examine the actual loss experience. A range of indicators and statistical analysis tools are employed to refine underwriting standards to improve loss experience and/or ensure pricing is adjusted appropriately.

Ageas and its subsidiaries aim to set premiums at a level that will ensure that premiums received plus the investment income earned on them exceed total claims, costs of handling those claims and the cost of managing the business. The appropriateness of pricing is tested using a range of techniques and key performance indicators appropriate to a particular portfolio, on both a priori basis (e.g., profit testing) and a posteriori basis (e.g., embedded value, combined ratios, risks accepted during period)

The factors taken into consideration when pricing insurance vary by product according to the cover and benefits offered. In general, they include:

- expected claims by policyholders and related expected pay-outs and their timing;
- the level and nature of variability associated with the expected benefits. This includes analysis of claims statistics as well as consideration of the evolution of court rulings, the economic climate and demographic trends;
- other costs of producing the relevant product, such as distribution, marketing, policy administration, and claim administration costs;
- financial conditions, reflecting the time value of money;
- solvency capital requirements;
- target levels of profitability;
- insurance market conditions, notably competitor pricing of similar products.

In its exposures to the above-mentioned risks, Ageas benefits from diversification across geographical regions, product lines and even across the different insurance risk factors so that Ageas is not exposed to significant concentrations of insurance risks. Moreover, Ageas and its subsidiaries have built in specific mitigation measures to minimise their risk exposures. Examples are, lapse supported products via lapse penalties and/or market value adjustments mitigate the loss to the insurance company and reinsurance treaties leading to limited exposure to large losses.

For risk monitoring Ageas considers the Pillar 2 Solvency II Solvency Capital Requirement (SCR_{Ageas}) per sub-risk (also referred to as the Ageas view). In the tables below, the SCR_{Ageas} and the risk consumption for each type of Underwriting Risk are displayed, dnet of the loss absorbency of the technical provisions (LACTP). They indicate the relative levels of risk and capital consumption on a 1/200 year event respectively on a 1/30 year event (basis for Ageas' Risk Appetite).

Composition of SCR related to insurance risk (1/200, net of LACTP)	31 December 2023	31 December 2022
Life Underwriting Risk	864	1,081
Health Underwriting Risk	386	395
Non-Life Underwriting Risk	1,117	887
Total	**2,367**	**2, 363**

Composition of SCR related to insurance risk (1/30)	31 December 2023	31 December 2022
Life Underwriting Risk	452	559
Health Underwriting Risk	218	234
Non-Life Underwriting Risk	523	434
Total	**1,193**	**1,227**

The Life Underwriting risk SCR decreased mainly due to reduced mass lapse risk sensitivity to yield curve movement. The Non-Life Underwriting risk increased mainly due to the underlying business growth.

7.2.1 Life underwriting risks

Life underwriting risk reflects the risk arising from Life insurance obligations, in relation to the perils covered and the processes used in the conduct of business.

Life underwriting risks are mainly composed of mortality/longevity, disability/morbidity, lapse and persistency, life expense, revision as well as catastrophe risks. This section will first describe these risks (sub-sections A to F). It will then provide an overview of their management within Ageas operating companies (sub-section G).

A. Mortality/longevity risk

Mortality risk is the risk of loss or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend, or volatility of mortality rates, where an increase in the mortality rate leads to an increase in the value of insurance liabilities. The mortality tables used in pricing include prudential margins. As per industry practice, Ageas and its subsidiaries use the population experience tables with adequate safety loadings. Yearly review of the assumptions is necessary to compare the expected mortality of the portfolio with the experience. This analysis takes a number of criteria into account such as age, policy year, sum assured and other underwriting criteria.

Longevity risk is the risk of loss or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend, or volatility of mortality rates, where a decrease in the mortality rate leads to an increase in the value of insurance liabilities. This risk is managed through yearly revision of the mortality experience within the portfolio. Where longevity is found to be rising faster than assumed in the mortality tables, additional provisions are set up and pricing of new products is adjusted accordingly.

B. Disability/morbidity risk

Disability/morbidity risk is the risk of loss or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend or volatility of disability, sickness, and morbidity rates. This can, for example, arise in the disability business, health business and workers' compensation. Ageas and its subsidiaries mitigate disability risk through medical selection strategies and appropriate reinsurance cover.

C. Lapse and Persistency risks

Lapse risk is the risk of loss or of adverse change in the value of insurance liabilities, resulting from changes in the level or volatility of the rates of policy lapses and persistency, which include renewals, surrenders, premium reductions, and other premium reducing factors. Note that persistency risk is another name sometimes used to describe the volatility in the policy premium lapses and reinstatements of lapsed policies, free look cancellations or surrenders.

When designing and pricing insurance policies, assumptions also need to be made relating to the costs of selling and then administering the policies until they lapse or mature and relating to the rate of persistency that will be experienced. The risks that in actual experience may be different from the potential impact are identified during the product development stage and can be mitigated by thorough product design. For example, the use of early redemption penalties/loyalty bonuses, initial charges or spreading the commission paid to distributors to align interests or a market value adjustment where the risks are completely born by the policyholders in case of lapse. In some markets, fiscal incentives also mitigate the lapse risk.

D. Life-expense risk

Life-expense risk is the risk of loss or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend, or volatility of the expenses incurred in servicing insurance or reinsurance contracts. Expense risk arises if the expenses anticipated when pricing a guarantee are insufficient to cover the actual costs accruing in the following years.

E. Revision risk

Revision risk is the risk of loss or of adverse change in the value of insurance liabilities, resulting from fluctuations in the level, trend, or volatility of the revision rates applied to annuities, due to changes in the legal environment or in the state of health of the person insured.

F. Catastrophe Risk

Life catastrophe risk is the risk related to claims generated by catastrophic life events, such as nuclear explosions, pandemics, terrorism, and natural disasters (such as storms, floods, earthquakes, freezes, tsunamis).

G. Management of life risks AT Ageas insurance companies

Life underwriting risks are monitored via internal quarterly risk reporting to better understand their exposure to certain events and their evolution. Most of the Life insurance operating companies are exposed to similar events, such as (mass) lapse events, expenses, or mortality/longevity.

At Group level a number of reporting schemes related to the above are in place e.g., adequacy testing on reserves, reporting on capital requirements and within the context of the actuarial function. In addition, a thorough follow-up of model changes, assumption changes, legislation change at operating company level is performed and reported to the Group.

H. Sensitivities on technical provisions

Ageas's main tool for monitoring the sensitivity of the life insurance liabilities to underwriting risks is the quarterly risk reporting, which contains the capital requirements by sub-risk. For consolidated entities subject to Solvency II or equivalent regimes, these capital requirements reflect the impact on Solvency II Own Funds under highly stressed underwriting assumptions (e.g., lapse rates, mortality rates, disability and morbidity rates, expenses, …) corresponding to a 1 in 200 stress.

The majority of Life technical provisions at Ageas relate to Savings & Pension business. As a result, the main uncertainties to Ageas's life insurance liabilities are related to market risks such as the level of fixed income spread levels, risk asset returns, and the term structure of interest rates, rather than underwriting risks such as lapse, mortality, or expense risks. For Protection, Annuity or Health products, the relative importance of underwriting risks can be more important for individual entities, however these are not the main risks at the Group level.

Based on this, Ageas does not regularly report quantitative first order sensitivities on a Group-wide basis. Instead, these risks are monitored as part of the regular risk reporting which takes an economic view.

7.2.2 Non-life underwriting risks

Non-life underwriting risks are mainly composed of reserve, premium, catastrophe, and lapse risks. This section will first describe these risks (sub-sections A to D). It will then provide an overview of their management within Ageas operating companies (sub-section E) and loss ratios (sub-section F), Non-life risk sensitivities (sub-section G) and loss reserve tables (sub-section H).

A. Reserve risk

Reserve risk is related to outstanding claims and represents the risk of adverse change in the value of insurance liabilities resulting from fluctuations in the timing and amount of claim settlements and claims expenses.

To mitigate the risk of adverse change in value, Ageas' insurance companies have adopted claims management rules to proactively manage the claims considering their expected evolution (e.g changes in legislation). Risks are also mitigated by the operating companies' reinsurance strategy.

B. Premium risk

Non-life premium risk is the risk that the premium will not be sufficient to cover all liabilities including claims and expenses resulting from fluctuations in frequency and/or severity of the claims as well as adverse changes in expenses.

Claims losses can differ from the expected outcome for a range of reasons. Analysis of claims will generally treat differently short and long-tail claims. Short-tail claims, such as motor damage and property damage claims, are generally reported within a few days or weeks and are settled soon afterwards. The resolution of long-tail claims, such as bodily injury or liability claims, can take years to complete. In the case of long-tail claims, information concerning the event, such as medical treatment required, may, due to its very nature, not be readily obtainable. Analysis of long-tail losses is also more difficult, requires more detailed work and is subject to greater uncertainties than analysis of short-tail losses.

Ageas and its subsidiaries take into account experience with similar cases and historical trends, such as reserving patterns, exposure growth, loss payments, pending levels of unpaid claims, as well as court decisions and economic conditions. In the event that experience is either deemed insufficient or lacking altogether due to the specific nature of the claim event[2], Ageas draws from reliable (external or other) sources and assessments while respecting its Risk position.

To mitigate the claims risk, Ageas and its subsidiaries adopt acceptance rules and underwriting policies. The pricing is defined by client segment and class of business based on knowledge or expectations of future movements in claims frequency and severity. Ageas and its subsidiaries also benefit from diversification effects by engaging in a wide range of Non-life insurance classes and geographies. This does not reduce average claims, although it does significantly reduce the variation in the total claims book and therefore the risk. The risk of unexpectedly large claims is contained by policy limits, concentration risk management and reinsurance.

C. Catastrophe risk

Catastrophe risk is related to claims generated by catastrophic events, such as natural disasters (such as storms, floods, earthquakes, freezes, tsunamis), or man-made events (such as terrorist attacks, explosions or train accidents).

The mitigation of the catastrophe risk is done via concentration risk management and reinsurance.

To quantify the concentration risk in property, an assessment is performed by Ageas non-life entities on their address level exposure data in order to identify their top concentration clusters taking into account the total sum insured of all buildings, covered for damages caused by fire, explosion, terrorism attack, partially or fully located in a given radius. This analysis is the basis of the severity component of the Property Cat Man Made module of the Non-Life Internal Model.

D. Lapse risk

Lapse risk is related to future premiums included in the premium provision where an expected profit is foreseen. Lapse risk is the risk that more lapses will occur than the expected ones, generating less profit than foreseen.

E. Management of non-life risks AT Ageas insurance companies

The management of Non-life risk at Ageas follows underwriting and risk taking management instructions and guidance issued at each Non-life entity of the Group. This includes, amongst other things, risk acceptance rules, claims guidance, reinsurance taking activity and management.

2 *E.g. ENID (Events not in data) events*

At Group level a number of reporting schemes related to the above are in place e.g., KPI reports and adequacy testing both on claims- and premium reserves.

In addition, an internal model has been built to better manage the non-life underwriting risks of the entities and of the group, The model is used to find the optimal reinsurance programs to mitigate the non-life risks of the entities but also to avoid risk concentration across the Group. Weather-related claims is a typical example of concentration of risks for the group. Climate change has a particular focus in this context. For the modelling of natural events, external models are used. Ageas ensures a permanent follow-up of the implication of climate change on those models and a permanent discussion takes place with the providers of the models.

F. Loss Ratios

A loss ratio is the single measure used for assessing the appropriateness of the part of premium rates marketed to cover insurance claims. It is defined as the ratio of total claim cost (estimated) divided by premiums earned. Combined ratio is the sum of loss ratio and expense ratio (including commissions).

Generally speaking, one may expect to experience a combined ratio below 100 percent. For reasons of intrinsic variability of the claims process and/or premium inefficiency one might from time to time observe a combined ratio above 100 percent. The latter situation is tackled in the management of the Non-life risks (see point E. above).

The combined ratio and loss ratio can be found in the note 27 Information on operating segments.

G. Loss Reserve Tables

The reserves for claims and claim expenses that appear in the statement of financial position are analysed by the actuaries and claims management departments by accident year. Payments and loss reserves are therefore represented in a two time-related dimension table: accident year (year of loss occurrence, in the columns) and calendar year (or development year, in the rows). This so-called run-off triangle shows how best estimate loss reserve develops over time due to payments made and new estimates of the ultimate loss at the respective date of the statement of financial position.

All claims concerned are resulting from insurance contracts as defined by IFRS, including all accident & health, property and casualty contracts whose reserves can be reported in a triangular format. All figures quoted in the body of the triangle are undiscounted and reconciled with the liabilities for incurred claims in the statement of financial position, after deducting the cumulative claims payment and taking into account the effect of discounting and risk adjustment for non-financial risk.

All amounts in the table are calculated at the applicable exchange rates at year-end 2023.

The loss reserve development tables per accident year gross and net of reinsurance are as follows.

Accident Year: Gross of reinsurance	2016	2017	2018	2019	2020	2021	2022	2023	Total
Estimates of undiscounted gross cumulative claims									
At the end of accident year	2,773	2,624	2,618	2,733	2,541	3,048	3,145	3,247	
1 year later	2,856	2,535	2,731	2,652	2,428	3,009	3,078		
2 years later	2,761	2,561	2,651	2,651	2,421	2,955			
3 years later	2,685	2,539	2,626	2,629	2,389				
4 years later	2,678	2,544	2,580	2,523					
5 years later	2,673	2,508	2,582						
6 years later	2,693	2,505							
7 years later	2,711								
Cumulative gross claims payment	2,435	2,309	2,330	2,230	2,016	2,374	2,255	1,561	
Gross undiscounted liabilities for incurred claims for accident years from 2016 to 2023	275	196	252	294	374	581	823	1,686	**4,481**
Gross undiscounted liabilities for incurred claims for accident years prior to 2016 measured under modified retrospective & fair value approach									**2,599**
Effect of discounting									**(1,474)**
Effect of the risk adjustment for non-financial risk									**198**
Gross liabilities for incurred claims in the statement of financial position									**5,804**

Accident Year: Net of reinsurance	2016	2017	2018	2019	2020	2021	2022	2023	Total
Estimates of undiscounted net cumulative claims									
At the end of accident year	2,630	2,518	2,533	2,575	2,328	2,694	2,979	3,067	
1 year later	2,676	2,493	2,611	2,511	2,243	2,725	2,825		
2 years later	2,612	2,484	2,586	2,452	2,265	2,678			
3 years later	2,552	2,468	2,546	2,469	2,240				
4 years later	2,543	2,460	2,509	2,410					
5 years later	2,540	2,443	2,503						
6 years later	2,569	2,441							
7 years later	2,578								
Cumulative net claims payment	2,366	2,260	2,271	2,135	1,911	2,169	2,108	1,498	
Net undiscounted liabilities for incurred claims for accident years from 2016 to 2023	213	181	232	274	329	509	717	1,569	**4,024**
Net undiscounted liabilities for incurred claims for accident years prior to 2016 measured under modified retrospective & fair value approach									**2,115**
Effect of discounting									**(1,136)**
Effect of the risk adjustment for non-financial risk									**161**
Net liabilities for incurred claims in the statement of financial position									**5,164**

The loss reserve development table per accident year shows the development of the estimates of undiscounted cumulative claims for each individual accident year (as indicated in the column) and for each development year (as indicated in the row) since the year of occurrence through to the reporting year 2023. The triangle data is not available for accident years prior to 2016 which are measured under modified retrospective and fair value approaches.

The undiscounted cumulative claims, also known as ultimate total loss, for each individual accident year comprise of the sum of cumulative payments and outstanding claims reserve including IBN(E)R. The changes in ultimate total loss year on year reflects the fact that the estimate fluctuates with the knowledge and information gained on the claims. The longer the period of development of the claims, the more accurate is the estimate of the ultimate loss.

The amount of total liabilities for incurred claims as part of the insurance contract liabilities in the statement of financial position is further disclosed in section 9.2 Assets and liabilities arising from Non-Life insurance contracts issued.

7.2.3 Health Risk

Health underwriting risk reflects the risk arising from the underwriting of health insurance obligations, whether it is pursued on a similar technical basis to that of life insurance or not, following from both the perils covered and the processes used in the conduct of business.

The components of health insurance risk are to split depending on the type of liabilities: if similar to life risk or modelled based on similar techniques as for life liabilities – please refer to section 7.2.1 Life underwriting risks. For liabilities similar to Non-life liabilities or modelled on a similar way, please refer to section 7.2.2 Non-life underwriting risks.

7.3 Operational risks

Operational risk is defined as the risk of losses arising from inadequate or failed internal processes, personnel, systems, or external events.

Ageas views operational risk as an ‘umbrella’ risk, encompassing a number of sub-risks: Employment Practices and Workplace Safety, Execution, Delivery and Process Management, Technology, Internal Fraud, External Fraud, Damage to Physical Assets (including physical security), Clients, Products Business & Legal Practice, Conduct, Regulatory Compliance, Third Party, Statutory Reporting, Disclosure & Tax, Business Continuity, Crisis Management & Operational Resilience, Data Management, Information Security (including Cyber), and Model risk. In order to ensure adequate management of operational risks, Ageas has implemented Group-wide policies and processes, which covers topics, amongst others, that include:
- Business Continuity Management.
- Fraud Risk Management.
- Information Security.
- Data Management.
- Outsourcing & Procurement.
- Treat Your Customer Fairly.
- Incident Management and Loss Data Collection.
- Internal Control Adequacy Assessment.
- Key Risk Identification and Reporting process.

Ageas’s operational risk mitigating strategy is to minimise operational failures or disruption, whether caused by internal or external factors which may damage our reputation and/or incur financial losses via a strong and robust Internal Control System (ICS). Risk awareness training and education initiatives are part of Ageas entities’ activities since they are vital to ensure that employees have an adequate understanding of their roles and responsibilities towards risk management.

Ageas applies the standard formula to calculate operational risk capital. Ageas has also implemented a scenario-based approach which uses expert judgement, internal and external data. The estimated frequency and severity are translated into the most likely potential loss and the worst case potential loss related for each operational risk scenario. The scenario outputs are used to determine whether or not the operational risk capital based on standard formula is sufficient to cover our key operational risks.

7.4 Strategic & Business risks

This risk category covers external and internal factors that can impact Ageas’s ability to meet its current business plan and objectives and also to position itself for achieving ongoing growth and value creation.

One of the top strategic and business risks faced by Ageas Group in 2023 was Interest Rate Risk. Further details are provided in section 6.1.

7.4.1 Strategic risk

Risks to the organisation arising from unclear understanding and translation of the strategy, inadequately determined levels of uncertainty (risk) associated to the strategy, and/or challenges faced during implementation stages. It includes:

- *Business Model Risk:*
  risk to the organisation arising from our business model (and that has an influence on the business decisions that we make).
- *Partnership Risk:*
  risk to the organisation arising from partnerships, dependence on partner-related distribution channels, limited operational control inherent for joint ventures, the offering of insurance services as part of a broader ‘partnership eco-system’ (e.g. coupling insurance products with service providers such as Amazon, utility players in the connected home space…).

Ageas Group has a strong strategic risk management framework to anticipate, report on, and mitigate these risks. The ORSA report provides an assessment on the overall adequacy of solvency for the 4 year budgeted period (Multi-Year Budget or MYB), which comprises strategic risks.

7.4.2 Change risk

Risks to the organisation arising from managing change (e.g. programmes and projects) or an inability to adapt sufficiently quickly to industry and market changes (e.g. regulations and products).

7.4.3 Industry risk

Risks arising from internal and/or external environmental factors, such as:
- Macro-economic arising from economic factors (e.g. inflation, deflation, unemployment, changing consumer confidence / behaviour…) that can impact the business. Interest rates / Inflation / deflation can also materialise through financial and/or insurance risks.
- Geopolitical that may impact our ability to maintain / develop business in different countries where we operate / intend to operate;
- Propensity / Changing client behaviours;
- Innovation from internal (own insurance services & products launched…) and external (e.g. blockchain, self-driving cars…) factors;
- Competition risks arising from changes within the competitor landscape or market position.

7.4.4 Systemic risk

The risk of disruption to financial services organisations that has the potential to have serious consequences for the financial system and/or the real economy. Systemic risk events can originate in, propagate through, or remain outside of Ageas.

7.4.5 Sustainability risk

A sustainability risk is an uncertain environmental, social or governance (ESG) event that, if it occurs, can cause a significant negative impact on Ageas. It includes the opportunities that may be available to Ageas because of changing environmental or social factors.

Environmental relates to the quality and functioning of the natural environment and natural systems, and our positive contribution towards it.

Social relates to the rights, well-being and interests of people and communities.

Governance relates to elements such as Board structure, size, Executive pay, shareholder rights, stakeholder interaction…

The impacts of ESG risks are considered & reported along two axes:

- Physical Risk (risks that arise from the physical effects of climate change) – assess the impact on the business due to physical risks materialising (e.g. damage to real estate portfolio, people well-being due to prolonged confinements / rapid changes in work culture, technology…).
- Transition risk – (risks that arise from the transition to a low-carbon and climate-resilient economy) – assess the impact on the business due to the transition measures taken / being deployed towards an ESG supported economy.

7.5 Reinsurance

Where appropriate, Ageas’s insurance companies enter into reinsurance contracts to limit their exposure to underwriting losses. This reinsurance may be on a policy-by-policy basis (per risk), or on a portfolio basis (per event). The latter events are mostly natural catastrophes (e.g. hurricanes, earthquakes and floods) or man-made, multiple claims triggered by a single event. Reinsurance companies are selected based primarily on pricing and counterparty default risk considerations. The management of counterparty default risk is integrated into the overall management of credit risk.

In 2018, Ageas obtained a life and non-life reinsurance licence for Ageas SA/NV in Belgium.

The reinsurance licence for Ageas SA/NV supports the optimisation of the Ageas Group reinsurance programme by harmonising risk profiles among controlled entities and the fungibility of capital.

The companies within the scope of internal reinsurance are:
- AG Insurance, Belgium;
- Ageas Insurance Limited, UK;
- Ageas Ocidental Vida, Portugal;
- Ageas Seguros Non-Life, Portugal;
- Medis, Portugal;
- Specific NCPs (non-controlled participations), in China, Thailand, Malaysia, Türkiye and India.

As of Jan 1st 2023, Ageas SA/NV has started underwriting non-life third party reinsurance under the brand name “Ageas Re”.

In line with its Risk Appetite, Ageas SA/NV mitigates part of its risk on the assumed business through the purchase of group retrocession covers, thus protecting its own balance sheet. Ageas SA/NV also underwrites proportional treaties, taking a share of the non-life business of the controlled participations.

The governance of the reinsurance activities operates within the Ageas Risk Management Framework and controls on processes follow Group standards.

Regulatory supervision and solvency

Ageas SA/NV is the ultimate parent of the Ageas Group. The National Bank of Belgium (NBB) had designated Ageas SA/NV as an Insurance Holding. In June 2018, the NBB has granted Ageas SA/NV a license to underwrite life and non-life reinsurance activities. The NBB is the group supervisory authority and in that capacity receives specific reports which form the basis of prudential supervision at group level. In its role as group supervisory authority the NBB facilitates group supervision via a college of supervisors. Supervisors in the EEA member countries where Ageas is active are represented in this college. The college, operating on the basis of European regulations, ensures that the collaboration, exchange of information and mutual consultation between the supervisory authorities takes place and furthermore promotes convergence of supervisory activities.

1. Requirements and available capital under Solvency II - Partial Internal Model (Pillar 1)

Since 1 January 2016, Ageas is supervised on a consolidated level based on the Solvency II framework, applying a Partial Internal Model (PIM) for pillar 1 reporting, where the main part of the Non-life risks are modelled according to Ageas specific formulas, instead of the standard formula approach.

For fully consolidated entities, the consolidation scope for Solvency II is comparable to the IFRS consolidation scope. Since Q4 2023, Interparking is consolidated as an equity participation in Solvency II. After the disposal of Ageas France in September 2023, it was removed from the consolidation scope.

AgeSA, the Turkish equity associate, provides Ageas with Solvency II calculations that are included pro rata, without any diversification benefits. All other equity associates have been excluded from own funds and required solvency, as the applicable solvency regimes are deemed non-equivalent with Solvency II.

In the Partial Internal Model (PIM), Ageas applies transitional measures relating to technical provisions in Portugal and the grandfathering of issued hybrid debt.

The reconciliation of the IFRS Equity to the Eligible Own Funds under Solvency II and the resulting solvency ratio according to the Partial Internal Model approach is as follows.

	31 December 2023	31 December 2022
IFRS Equity	**8,499**	**7,936**
Shareholders' equity	7,422	6,975
Non-controlling interest	1,077	961
Qualifying Subordinated Liabilities at IFRS value	**2,520**	**2,517**
Scope changes at IFRS value	**(4,568)**	**(4,665)**
Exclusion of expected dividend	(315)	(270)
Proportional consolidation / Minorities Equity Associates	(306)	(318)
Derecognition of Equity Associates	(3,946)	(4,077)
Valuation differences - (unaudited)	**2,013**	**2,329**
Revaluation of Property Investments	1,163	1,673
Derecognition of concessions and other intangibles	(368)	(577)
Derecognition of goodwill	(607)	(603)
Revaluation of Insurance related balance sheet items	2,516	2,889
Revaluation of assets which, under IFRS are not accounted for at fair value	490	71
Tax impact on valuation differences	(1,133)	(1,227)
Other	(48)	102
Total Solvency II Own Funds - (unaudited)	**8,464**	**8,117**
Non Transferable Own Funds	(1,054)	(980)
Total Eligible Solvency II Own Funds - (unaudited)	**7,409**	**7,137**
Group Required Capital under Partial Internal Model (SCR)	3,546	3,460
Capital Ratio	**209.0%**	**206.3%**

	31 December 2023	31 December 2022
Total Eligible Solvency II Own Funds, of which - (unaudited):	**7,409**	**7,137**
Tier 1 unrestricted	5,190	5,024
Tier 1 restricted	842	802
Tier 2	1,327	1,254
Tier 3	51	58

Own Funds increased from EUR 7,137 million at Q4 2022 to EUR 7,409 million at Q4 2023 explained mainly by the strong operational capital generation and the favourable financial market movements (equities and interest rates). This was partially offset by the dividends paid in 2023 (EUR 540 million) and the foreseeable dividends accrued for the full-year (EUR 315 million).

Non-transferable Own Funds relate to third party interests.

The composition of the capital solvency requirements can be summarised as follows:

	31 December 2023	31 December 2022
Market Risk	4,343	4,263
Counterparty Default Risk	225	200
Life Underwriting Risk	1,657	1,681
Health Underwriting Risk	339	322
Non-Life Underwriting Risk	1,034	966
Diversification between above mentioned risks	(2,063)	(2,001)
Risks	567	574
Loss-Absorption through Technical Provisions	(1,936)	(1,922)
Loss-Absorption through Deferred Taxes	(622)	(624)
Group Required Capital under Partial Internal Model (SCR) - (unaudited)	**3,546**	**3,460**
Impact of Non-Life Internal Model on Non-Life Underwriting Risk	168	141
Impact of Non-Life Internal Model on Diversification between risks	(69)	(62)
Impact of Non-Life Internal Model on Loss-Absorption through Deferred Taxes	17	16
Group Required Capital under the SII Standard Formula - (unaudited)	**3,662**	**3,555**

2. Ageas capital management under Solvency II – SCR_{ageas} (Pillar 2 - unaudited)

Ageas considers a strong capital base at the individual insurance operations a necessity, on the one hand as a competitive advantage and on the other hand as solid funding for the planned growth.

For its capital management Ageas uses an internal approach based on the Partial Internal Model with an adjusted spread risk, applying an Internal Model for Real Estate (as from 2016), the removal of transitional measures (with the exception of the grandfathering of issued hybrid debt and the extension of reporting deadlines) and an adjustment for the fair valuation of IAS19 reserves.

In this adjustment, spread risk is calculated on the fundamental part of the spread risk for all bonds. This introduces an SCR charge for EU- and high rated government bonds and decreases the spread risk charge for all other bonds. Technical provisions are net present valued using an interest curve as prescribed by EIOPA, but instead of using the standard volatility adjustment, the companies apply a company specific volatility adjustment or use an expected loss model, based on the composition of their specific asset portfolio. This SCR is called the SCR_{ageas}.

The SCR_{ageas} can be reconciled to the SCR Partial Internal Model as follows:

	31 December 2023	31 December 2022
Group Partial Internal Model SCR	**3,546**	**3,460**
Exclude impact General Account	(116)	(79)
Insurance Partial Internal Model SCR	**3,430**	**3,381**
Impact of Real Estate Internal Model	14	(125)
Additional Spread Risk	160	3
Less Diversification	125	68
Less adjustment Technical Provision	(242)	3
Less Deferred Tax Loss Mitigation	(60)	(46)
Insurance SCR ageas	**3,428**	**3,284**

	31 December 2023	31 December 2022
Group Eligible Solvency II Own Funds under Partial Internal Model	**7,409**	**7,137**
Exclusion of General Account	(207)	(103)
Revaluation of Technical Provision	182	(127)
Recognition of Concessions	184	499
Recalculation of Non Transferable	(109)	(171)
Insurance Eligible Solvency II ageas Own Funds	**7,460**	**7,235**

Insurance SCR_{ageas} increased from EUR 3,284 million at Q4 2022 to EUR 3,428 million at Q4 2023 mainly explained by the following drivers:

- **Non-life underwriting risks** increased mainly due to the planned business growth in the UK and Ageas Re.
- **Market risk** increased due to higher equity, lower interest rates and some re-risking on maturities. This was partially offset by the disposal of Ageas France.
- **Life underwriting risks** decreased mainly due to model changes targeting an increase in the Loss Absorbing Capacity of the Technical Provisions in a mass lapse scenario.

Since 2021, the Loss Absorbing Capacity of Technical Provisions includes the overflow account. This overflow account was introduced in the modelling framework to better reflect how the financial result is managed in going concern. The previous model realized capital gains and losses in a way consistent with Solvency II contract boundaries (run-off view), which gave a distorted view of the future financial margin realized in going concern.

	31 December 2023			31 December 2022		
	Own Funds	SCR	Solvency Ratio	Own Funds	SCR	Solvency Ratio
Belgium	5,562	2,293	243%	5,261	2,182	241%
Europe	1,742	929	187%	1,795	979	183%
AFLIC	279	131	214%	272	114	237%
Ageas Re	940	537	175%	905	441	205%
General Account	843	257		731	232	
Elimination / Diversification	(1,701)	(614)		(1,627)	(585)	
Total Ageas	**7,665**	**3,533**	**217%**	**7,337**	**3,363**	**218%**

The Target capital ratio is set at 175% based on SCR_{ageas}.

Notes to the consolidated statement of financial position

1

Cash and cash equivalents

Cash includes cash on hand, current accounts with banks and other financial instruments with a term of less than three months from the date on which they were acquired.

	31 December 2023	31 December 2022
FVTPL		
Money market paper & Money market funds	271	23
Other		
Total cash and cash equivalents measured at FVTPL	**271**	**23**
Amortised cost		
Cash on hand, bank accounts and deposits	1,367	979
Money market paper & Money market funds	221	155
Other	16	19
Total cash and cash equivalents measured at amortised cost	**1,604**	**1,153**
Total cash and cash equivalents	**1,875**	**1,176**

2

Financial investments

The composition of financial investments is as follows.

31 December 2023	Hedging instruments	FVTPL mandatory	FVTPL designated	FVOCI excl. equity investments	FVOCI designated equity investments	Amortised cost	Total carrying value
Debt securities		1,846	131	46,648		70	48,695
Loans		233		7,210		1,533	8,976
Equity Investments		154			3,043		3,197
Derivatives	99	14					113
Unit-linked financial investments			18,453				18,453
Other investments		107					107
Total financial investments	**99**	**2,354**	**18,584**	**53,858**	**3,043**	**1,603**	**79,541**

31 December 2022	Hedging instruments	FVTPL mandatory	FVTPL designated	FVOCI excl. equity investments	FVOCI designated equity investments	Amortised cost	Total carrying value
Debt securities		1,730	124	45,194		75	47,123
Loans		188		7,087		1,496	8,771
Equity Investments		120			2,468		2,588
Derivatives	110	122					232
Unit-linked financial investments			17,659				17,659
Other investments		116					116
Total financial investments	**110**	**2,276**	**17,783**	**52,281**	**2,468**	**1,571**	**76,489**

Other investments held at fair value through profit or loss relate to investments in property funds.

Ageas holds some financial investments as underlying items of its participating contracts. See note 9, section 1.1.

Of the total financial investments, EUR 3,931 million is expected to be recovered within one year (31 December 2022: EUR 3,758 million).

1. Debt securities

The following table shows the breakdown of debt securities by measurement category.

	31 December 2023		31 December 2022	
	Carrying value	of which Changes in values recognised in OCI	Carrying value	of which Changes in values recognised in OCI
FVTPL mandatory				
Government bonds	145		141	
Corporate debt securities	12		34	
Unquoted investment funds & others	1,689		1,555	
Total debt securities mandatorily measured at FVTPL	**1,846**		**1,730**	
FVTPL designated				
Government bonds				
Corporate debt securities	131		124	
Unquoted investment funds & others				
Total debt securities designated at FVTPL	**131**		**124**	
FVOCI				
Government bonds	29,338	(270)	29,009	(1,470)
Corporate debt securities	14,413	(802)	13,487	(1,411)
Unquoted investment funds & others	2,897	(647)	2,698	(604)
Total debt securities measured at FVOCI	**46,648**	**(1,719)**	**45,194**	**(3,485)**
Amortised cost				
Government bonds	50		55	
Corporate debt securities	20		20	
Total debt securities measured at amortised cost before impairment	70		75	
Less impairment allowances				
Total debt securities measured at amortised cost	**70**		**75**	
Total carrying amount of debt securities	**48,695**		**47,123**	

The “Unquoted investment funds & others” (FVTPL mandatory) are mainly investments in unconsolidated structured credit instruments and equity funds of which the contractual cash flows do not consist of solely payments of principal and interest on the principal amount outstanding.

Repurchase agreements are essentially secured short-term loans that are used to hedge specific investments with resettable interest rates and for cash management purposes. An amount of EUR 2,624 million of financial instruments has been pledged as collateral (2022: EUR 2,114 million) for repurchase agreement transactions.

The following table shows the changes in the provision for impairment on debt securities measured at fair value through OCI.

2023	12-month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Purchased or originated credit impaired	Total expected credit loss
Balance as at 1 January	**14**	**7**	**23**		**44**
New financial assets acquired	2				2
Maturity, redemption or repayment	(2)				(2)
Reversal due to sales	(1)				(1)
Effect of changes as result of acquisitions and divestments	(1)		(6)		(7)
Net remeasurement of loss allowance	26	4	16		46
Transfer from Stage 1		1			1
Transfer from Stage 2					
Transfer from Stage 3					
Write-offs without further legal enforcement					
Write-offs with further legal enforcement					
Other changes	3		6		9
Balance as at 31 December	**41**	**12**	**39**		**92**

2022	12-month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Purchased or originated credit impaired	Total expected credit loss
Balance as at 1 January	**6**	**10**	**21**		**37**
New financial assets acquired	3		(1)		2
Maturity, redemption or repayment	(1)				(1)
Reversal due to sales	(1)	(1)			(2)
Effect of changes as result of acquisitions and divestments					
Net remeasurement of loss allowance	7	(2)	3		8
Transfer from Stage 1					
Transfer from Stage 2					
Transfer from Stage 3					
Write-offs without further legal enforcement					
Write-offs with further legal enforcement					
Other changes					
Balance as at 31 December	**14**	**7**	**23**		**44**

2 Loans

The following table shows the breakdown of loans by measurement category.

	31 December 2023		31 December 2022	
	Carrying value	of which Changes in values recognised in OCI	Carrying value	of which Changes in values recognised in OCI
FVTPL mandatory				
Government and official institutions				
Commercial loans	233		188	
Residential mortgages				
Interest bearing deposits				
Loans to banks				
Total loans mandatorily measured at FVTPL	**233**		**188**	
FVOCI				
Government and official institutions	3,244	(307)	3,224	(432)
Commercial loans	2,706	(279)	2,547	(378)
Residential mortgages	1,182	(68)	1,227	(117)
Interest bearing deposits	20		32	
Loans to banks	58	(1)	57	(3)
Total loans measured at FVOCI	**7,210**	**(655)**	**7,087**	**(930)**
Amortised cost				
Government and official institutions				
Commercial loans	941		926	
Residential mortgages				
Interest bearing deposits	550		535	
Loans to banks	46		37	
Total loans measured at amortised cost before impairment	1,537		1,498	
Less impairment allowances	(4)		(2)	
Total loans measured at amortised cost	**1,533**		**1,496**	
Total carrying amount of loans	**8,976**		**8,771**	

An amount of EUR 29 million of loans has been pledged as collateral. (31 December 2022: EUR 30 million).
Ageas has granted credit lines for a total amount of EUR 410 million (31 December 2022: EUR 523 million).

The following table shows the breakdown of commercial loans.

	31 December 2023	31 December 2022
Real Estate	152	176
Infrastructure	1,889	1,688
Corporate loans	1,560	1,513
Consumer loans		
Financial Reinsurance		
Finance Lease Receivables	265	271
Other	14	13
Total commercial loans	**3,880**	**3,661**

The following table shows the changes in the provision for impairment for loans measured at fair value through OCI.

2023	12-month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Purchased or originated credit impaired	Total expected credit loss
Balance as at 1 January	**5**		**23**		**28**
New financial assets acquired	1				1
Maturity, redemption or repayment					
Reversal due to sales			(2)		(2)
Effect of changes as result of acquisitions and divestments					
Net remeasurement of loss allowance	3				3
Transfer from Stage 1		2			2
Transfer from Stage 2		(2)	1		(1)
Transfer from Stage 3			(1)		(1)
Write-offs without further legal enforcement					
Write-offs with further legal enforcement					
Other changes					
Balance as at 31 December	**9**		**21**		**30**

2022	12-month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Purchased or originated credit impaired	Total expected credit loss
Balance as at 1 January	**8**	**1**	**23**		**32**
New financial assets acquired					
Maturity, redemption or repayment					
Reversal due to sales			(2)		(2)
Effect of changes as result of acquisitions and divestments					
Net remeasurement of loss allowance	(3)		1		(2)
Transfer from Stage 1					
Transfer from Stage 2		(4)	1		(3)
Transfer from Stage 3		3			3
Write-offs without further legal enforcement					
Write-offs with further legal enforcement					
Other changes					
Balance as at 31 December	**5**		**23**		**28**

The following table shows the changes in the provision for impairment for loans measured at amortised cost.

2023	12-month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Purchased or originated credit impaired	Total expected credit loss
Balance as at 1 January	**1**		**1**		**2**
New financial assets acquired					
Maturity, redemption or repayment	2				2
Reversal due to sales					
Effect of changes as result of acquisitions and divestments					
Net remeasurement of loss allowance					
Transfer from Stage 1					
Transfer from Stage 2					
Transfer from Stage 3					
Write-offs without further legal enforcement					
Write-offs with further legal enforcement					
Other changes					
Balance as at 31 December	**3**		**1**		**4**

2022	12-month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Purchased or originated credit impaired	Total expected credit loss
Balance as at 1 January	**1**		**1**		**2**
Transfer to Held for Sale					
New financial assets acquired					
Maturity, redemption or repayment					
Reversal due to sales					
Effect of changes as result of acquisitions and divestments					
Net remeasurement of loss allowance					
Transfer from Stage 1					
Transfer from Stage 2					
Transfer from Stage 3					
Write-offs without further legal enforcement					
Write-offs with further legal enforcement					
Other changes					
Balance as at 31 December	**1**		**1**		**2**

The following table provides details of the finance lease receivables analysis by maturity.

	31 December 2023	31 December 2022
Less than 1 year	7	7
1 year to 2 years	7	7
2 years to 3 years	7	7
3 years to 4 years	8	7
4 years to 5 years	8	7
More than 5 years	228	236
Finance Lease Receivables	**265**	**271**

Collateral on loans

The following table provides details of collateral and guarantees received as security for loans.

Total credit exposure loans	31 December 2023	31 December 2022
Carrying amount	8,976	8,771
Collateral received		
Financial instruments	361	376
Property and equipment	1,492	1,612
Other collateral and guarantees	146	116
Unsecured exposure	6,977	6,667
Collateral amounts in excess of credit exposure (1)	863	989

(1) Collateral amounts in excess of credit exposure relate to loans for which the collateral is higher than the underlying individual loan.

The following table provides details of collateral and guarantees received as security for impaired loans.

Total impaired credit exposure on loans	31 December 2023	31 December 2022
Impaired outstanding (Stage 3 and purchased or originated credit-impaired)	45	55
Collateral received		
Property and equipment	25	36
Unsecured impaired credit exposure	20	19
Collateral and guarantees in excess of impaired credit exposure (1)	3	14

(1) Collateral amounts in excess of credit exposure relate to loans for which the collateral is higher than the underlying individual loan.

3. Equity investments

The following table shows the breakdown of equity investments by measurement category.

	31 December 2023		31 December 2022	
	Carrying value	of which Changes in values recognised in OCI	Carrying value	of which Changes in values recognised in OCI
FVTPL				
Private equities and venture capital	154		120	
Equity securities				
Total equity investments measured at FVTPL	**154**		**120**	
FVOCI				
Private equities and venture capital	1	(5)		
Equity securities	3,042	345	2,468	(320)
Total equity investments measured at FVOCI	**3,043**	**340**	**2,468**	**(320)**
Total carrying amount of equity investments	**3,197**		**2,588**	

The following table shows the derecognised equity investments at fair value through OCI.

	31 December 2023		31 December 2022	
	Fair value at derecognition date	Cumulative gains or losses on disposal	Fair value at derecognition date	Cumulative gains or losses on disposal
Private equities				
Equity securities	226	(57)	337	(4)
Total derecognised equity investment at FVOCI	**226**	**(57)**	**337**	**(4)**

4. Derivatives

Foreign exchange contracts

Futures are contracts that require settlement at a specified price and on a specified future date and can be traded in similar markets. Forwards are customised contracts between two entities where settlement takes place on a specific date in the future at today's pre-agreed price. The currency futures and forward contracts are mainly held to hedge the currency risk on foreign currency denominated assets.

Swaps

Swap contracts are agreements between two parties to exchange one set of cash flows for another set of cash flows. Payments are made on the basis of the swap's notional value. Ageas uses interest rate swap contracts primarily to manage cash flows arising from interest received or paid and cross-currency swap contracts to manage foreign currency denominated cash flows.

Carrying amounts (fair value) and notional contract amounts of derivatives

The fair value of the derivatives are recognised in the consolidated statement of financial position on the line 'Financial Investments' (or 'Other liabilities'), depending on whether the derivative is in an asset (or liability) position

The following table shows the carrying amounts (fair value) and the notional amounts of derivatives held for trading and designated for hedge accounting.

	31 December 2023			31 December 2022		
	Carrying amount		Notional	Carrying amount		Notional
	Assets	Liabilities	amount	Assets	Liabilities	amount
Derivatives held for trading						
Foreign exchange contracts	14	1	511	34	3	640
Interest rate contracts			22	88		408
Other derivatives						
Total derivatives held for trading	**14**	**1**	**533**	**122**	**3**	**1,048**
Derivatives designated as fair value hedges						
Foreign exchange derivatives						
Interest rate derivatives						
Other derivatives	9	14	190	10		56
Total derivatives designated as fair value hedges	**9**	**14**	**190**	**10**		**56**
Derivatives designated as cash flow hedges						
Foreign exchange derivatives						
Interest rate derivatives	90	3	879	100	1	783
Other derivatives						
Total derivatives designated as cash flow hedges	**90**	**3**	**879**	**100**	**1**	**783**
Total derivatives	**113**	**18**	**1,602**	**232**	**4**	**1,887**

Profile of the timing of the notional amount of derivatives

The following table shows the timing of the receipt and payment of notional amounts of derivatives.

31 December 2023	Less than 1 year	1 to 5 years	More than 5 years	Total notional amount
Derivatives held for trading				
Foreign exchange contracts	511			511
Interest rate contracts	4	16	2	22
Other derivatives				
Total derivatives held for trading	**515**	**16**	**2**	**533**
Derivatives designated for hedge accounting				
Foreign exchange derivatives				
Interest rate derivatives	120	522	237	879
Other derivatives	78	112		190
Total derivatives designated for hedge accounting	**198**	**634**	**237**	**1,069**
Total derivatives	**713**	**650**	**239**	**1,602**

31 December 2022	Less than 1 year	1 to 5 years	More than 5 years	Total notional amount
Derivatives held for trading				
Foreign exchange contracts	640			640
Interest rate contracts	22	195	191	408
Other derivatives				
Total derivatives held for trading	**662**	**195**	**191**	**1,048**
Derivatives designated for hedge accounting				
Foreign exchange derivatives				
Interest rate derivatives	50	546	187	783
Other derivatives	56			56
Total derivatives designated for hedge accounting	**106**	**546**	**187**	**839**
Total derivatives	**768**	**741**	**378**	**1,887**

5. Securities lending

Under securities lending agreements, Ageas has authorised third parties to use certain of our securities for a limited period of time, after which they return the securities to Ageas. During such time, Ageas continues to earn the revenues that these securities generate. Ageas also benefits from collateral under the form of other securities with a coverage rate of at least 105%. As at year-end, such agreements covered an amount of EUR 756 million (EUR 691 million last year).

6. Reclassification of financial assets

The fair value of financial assets that have been reclassified in 2022 from FVTPL to FVOCI amounts to EUR 4 million as at 31 December 2023 (EUR 2 million as at 31 December 2022). There was no fair value gain or loss that would have been recognised in the income statement of the reporting period 2023 and 2022, if these financial assets had not been reclassified.

7. Accumulated OCI impact due to IFRS 17 and 9 transition

The fair value movements of the financial assets measured at FVOCI related to the groups of insurance contracts measured at the modified retrospective approach and/or fair value approach, on transition to IFRS 17 were as follows.

	2023	2022
Cumulative amounts included in OCI, balance as at 1 January	**(168)**	**222**
Gains or losses recognised in OCI	182	(505)
Gains or losses reclassified from OCI to P&L	5	(18)
Income tax related to those items	(45)	133
Cumulative amounts included in OCI, balance as at 31 December	**(26)**	**(168)**

3

Investment property

Investment property comprises mainly of office buildings, nursing homes and retail space.

Reconciliation of carrying amount

	Measurement Model			
	Amortised cost		Fair value	
	2023	2022	2023	2022
Acquisition cost as at 1 January	**3,841**	**3,898**		**59**
Transfer to Held for Sale				(59)
Acquisitions and divestments of subsidiaries	13	95		
Additions/purchases	172	58		
Capital improvements	84	104		
Disposals	(150)	(350)		
Transfer from (to) property and equipment	(90)			
Other		36		
Acquisition cost as at 31 December	**3,870**	**3,841**		
Accumulated depreciation as at 1 January	**(804)**	**(792)**		
Acquisitions and divestments of subsidiaries				
Depreciation expense	(90)	(95)		
Reversal of depreciation due to disposals	40	93		
Transfer from (to) property and equipment	1			
Other	(1)	(10)		
Accumulated depreciation as at 31 December	**(854)**	**(804)**		
Accumulated impairments as at 1 January	**(7)**	**(3)**		
Acquisitions/disposals of subsidiaries				
Increase in impairments	(37)	(4)		
Reversal of impairments	3			
Accumulated impairments as at 31 December	**(41)**	**(7)**		
Net investment property as at 31 December	**2,975**	**3,030**		

An amount of EUR 18 million was pledged as collateral (2022: EUR 18 million) (see also note 11 Borrowings).

Fair values

Annual appraisals, whereby the independent appraisers are rotated every three years, cover almost all of the investment properties. Fair values (level 3) are based on non-observable market data and/or discounted cash flows. Expected property cash flows take into account expected rental income growth rates, void periods, occupancy rates, lease incentive costs, such as rent-free periods, and other costs not paid by tenants. Expected net cash flows are then discounted using risk-adjusted discount rates.

Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms. For development property (i.e. under construction), the fair value is set to cost until the property is operational.

	31 December 2023	31 December 2022
Fair values supported by market evidence	620	579
Fair value subject to an independent valuation	3,232	3,627
Total fair value of investment property	**3,852**	**4,206**
Carrying amount (excluding investment property measured at fair value)	2,975	3,030
Less: lease liabilities	(64)	(61)
Gross unrealised gains (losses)	**941**	**1,237**
Taxation	(288)	(343)
Net unrealised gains (losses) (not recognised in equity)	**653**	**894**

Property rented out under operating lease

Ageas rents out certain assets – mainly property held for investment purposes – to external parties based on operating lease agreements. As at 31 December the minimum payments to be received from irrevocable lease agreements amounted to:

	2023	2022
Less than 3 months	57	54
3 months to 1 year	162	156
1 year to 2 years	192	180
2 years to 3 years	162	143
3 years to 4 years	127	120
4 years to 5 years	108	103
More than 5 years	740	635
Total undiscounted lease payments receivable	**1,548**	**1,391**

An amount of EUR 85 million in 2023 of the total minimum payments to be received from irrevocable lease agreements relates to property and equipment (2022: EUR 97 million). The remainder relates to investment property.

4

Equity accounted investments

The following table provides an overview of the most significant associates and joint ventures. The percentage of interest may vary in case there are several associates and joint ventures in one country with different shareholdings' percentages held by the group.

	Country	% interest	2023 Carrying amount	2022 Carrying amount
Associates and joint ventures				
Taiping Life Insurance Company Limited	China	24.90%	1,917	2,097
Taiping Reinsurance Company Limited	China	24.99%	373	323
Turkish entities	Türkiye	36.00% - 40.00%	176	188
Other Asian entities		7.83% - 40.00%	1,626	1,646
Non-insurance entities			367	426
Total			**4,459**	**4,680**

The following table summarizes the financial information of the equity-accounted investments and the reconciliation to their carrying amount:

2023	Total assets (100% interest)	Total liabilities (100% interest	Equity (100% interest)	Equity (Ageas share)	Net result from continued operations (100% interest)	Net result from continued operations (Ageas share)	Other comprehensive income (100% interest)	Other comprehensive income (Ageas share)	Total comprehensive income (100% interest)	Total comprehensive income (Ageas share)	Dividend received
Taiping Life Insurance Company Limited	132,273	124,585	7,688	1,917	1,316	328	(1,243)	(310)	73	18	95
Taiping Reinsurance Company Limited	5,580	4,289	1,291	323	42	11	253	63	295	74	1
Turkish entities	1,617	1,293	324	125	(40)	(16)	84	37	44	21	3
Other Asian entities				1,475		131		2		133	53
Non-insurance entities				379		(15)		(15)		(30)	19
Related goodwill and impairment				240							
Total				**4,459**		**439**		**(223)**		**216**	**171**

2022	Total assets (100% interest)	Total liabilities (100% interest	Equity (100% Interest)	Equity (Ageas share)	Net result from continued operations (100% interest)	Net result from continued operations (Ageas share)	Other comprehensive income (100% interest)	Other comprehensive income (Ageas share)	Total comprehensive income (100% interest)	Total comprehensive income (Ageas share)	Dividend received
Taiping Life Insurance Company Limited	119,598	111,177	8,421	2,097	1,819	453	(974)	(243)	845	210	115
Taiping Reinsurance Company Limited	6,955	5,870	1,085	271	63	16	(245)	(61)	(182)	(45)	
Turkish entities	1,570	1,204	366	142	(75)	(27)	66	27	(9)		
Other Asian entities				1,488		49		(155)		(106)	37
Non-insurance entities				423		17		102		119	32
Related goodwill and impairment				259							
Total				**4,680**		**508**		**(330)**		**178**	**184**

Equity associates and joint ventures are subject to dividend restrictions arising from minimum capital and solvency requirements imposed by regulators in the countries in which they operate. Dividend payments are sometimes subject to shareholder agreements with the partners in the company. In certain situations, consensus is required before dividend is declared.

In addition, shareholder agreements (related to parties having an interest in equity-accounted investments of Ageas) may include:

- specific articles on voting rights or dividend distribution;
- lock-up periods during which all parties having shares are not allowed to sell shares before a certain period or without prior approval of the other parties involved;
- options to sell or resell shares to the other party/parties involved in the shareholder agreement, including the underlying calculation methodology to value the shares;
- earn-out mechanisms which allow the party originally selling the shares additional revenues when certain objectives are realised;
- exclusivity clauses or non-compete clauses related to the sales of insurance products.

5

Property and equipment

The breakdown of property and equipment is as follows:

	31 December 2023	31 December 2022
Car Parks	1,463	1,430
Land and buildings held for own use	724	608
Leasehold improvements	62	47
Equipment, motor vehicles and IT equipment	162	142
Buildings under construction		
Total	**2,411**	**2,227**

Reconciliation of carrying amount

	Land & building held for own use and car parks		Equipment, motor vehicles and IT equipment	
2023	Owned	Leased (right of use)	Owned	Leased (right of use)
Acquisition cost as at 1 January	**2,334**	**748**	**370**	**59**
Acquisitions through business combinations	11	8	65	
Additions	83	92	39	29
Disposals	(2)	(36)	(28)	(17)
Foreign exchange differences	1			
Transfer from (to) investment property	90			
Other	1	(8)	(3)	
Acquisition cost as at 31 December	**2,518**	**804**	**443**	**71**
Accumulated depreciation as at 1 January	**(813)**	**(219)**	**(257)**	**(30)**
Acquisitions through business combinations	(4)		(52)	
Depreciation expense	(50)	(67)	(35)	(14)
Reversal of depreciation due to disposals		28	27	9
Transfer from (to) investment property	(1)			
Foreign exchange differences				
Other	(2)	3		
Accumulated depreciation as at 31 December	**(870)**	**(255)**	**(317)**	**(35)**
Accumulated impairments as at 1 January	**(12)**			
Increase in impairments				
Reversal of impairments	2			
Foreign exchange differences				
Other				
Accumulated impairments as at 31 December	**(10)**			
Total as at 31 December	**1,638**	**549**	**126**	**36**

2022	Land & building held for own use and car parks Owned	Leased (right of use)	Equipment, motor vehicles and IT equipment Owned	Leased (right of use)
Acquisition cost as at 1 January	**1,899**	**641**	**334**	**47**
Transfer to Held for Sale		(7)	(3)	
Acquisitions through business combinations	378	31	25	
Additions	39	90	36	23
Disposals	(13)	(7)	(19)	(10)
Foreign exchange differences	(5)		(2)	
Other	36		(1)	(1)
Acquisition cost as at 31 December	**2,334**	**748**	**370**	**59**
Accumulated depreciation as at 1 January	**(767)**	**(171)**	**(245)**	**(25)**
Transfer to Held for Sale		5	3	
Acquisitions through business combinations	(1)		(4)	
Depreciation expense	(43)	(60)	(33)	(12)
Disposals	2	7	18	6
Foreign exchange differences	1		1	
Other	(5)		3	1
Accumulated depreciation as at 31 December	**(813)**	**(219)**	**(257)**	**(30)**
Accumulated impairments as at 1 January	**(10)**			
Transfer to Held for Sale				
Increase in impairments	(2)			
Reversal of impairments				
Foreign exchange differences				
Other				
Accumulated impairments as at 31 December	**(12)**			
Total as at 31 December	**1,509**	**529**	**113**	**29**

An amount of EUR 103 million of property and equipment has been pledged as collateral (31 December 2022: EUR 108 million).

Fair values

Property, other than car parks, is externally appraised each year, whereby the independent appraisers are rotated every three years. Fair values are based on level 3 valuation.

Ageas determines car park fair values using in-house models that also use unobservable market data (level 3). The resulting fair values are calibrated based on available market data and/or transactions. Level 3 valuation techniques are used for measuring car parks primarily using discounted cash flows. Expected car park cash flows take into account expected inflation, and economic growth in individual car park areas, among other factors. The expected net cash flows are discounted using risk-adjusted discount rates. The discount rate estimation considers the quality of the car park and its location, among other factors.

Fair value of land and buildings held for own use and car parks

	31 December 2023	31 December 2022
Total fair value of Land and buildings held for own use and car parks	**2,456**	**2,231**
Total carrying amount	2,187	2,038
Less: lease liabilities	(559)	(540)
Gross unrealised gains (losses)	**828**	**733**
Taxation	(224)	(200)
Net unrealised gains (losses) (not recognised in equity)	**604**	**533**

6

Goodwill and other intangible assets

	31 December 2023	31 December 2022
Goodwill	607	603
Public car park service concessions	502	502
Purchased software	22	17
Internally developed software	126	84
Other intangible assets	223	210
Total	**1,480**	**1,416**

Reconciliation of carrying amount

Changes in goodwill and public car park service concessions are shown below.

		Goodwill		Public Car Park Service Concessions
	2023	2022	2023	2022
Acquisition cost as at 1 January	**634**	**648**	**828**	**844**
Transfer to Held for Sale		(10)		
Acquisitions and divestments of subsidiaries	1	11		
Additions			28	24
Reversal of cost due to disposals	(1)		(4)	(2)
Foreign exchange differences	5	(15)		
Other	1			(38)
Acquisition cost as at 31 December	**640**	**634**	**852**	**828**
Accumulated amortisation as at 1 January			**(315)**	**(296)**
Transfer to Held for Sale				
Amortisation expense			(27)	(27)
Reversal of amortisation due to disposals			3	2
Foreign exchange differences				
Other				6
Accumulated amortisation as at 31 December			**(339)**	**(315)**
Accumulated impairments as at 1 January	**(31)**	**(32)**	**(11)**	**(11)**
Transfer to Held for Sale				
Acquisitions and divestments of subsidiaries				
Increase in impairments	(2)		(4)	
Reversal of impairments			4	
Foreign exchange differences		1		
Other				
Accumulated impairments as at 31 December	**(33)**	**(31)**	**(11)**	**(11)**
Total as at 31 December	**607**	**603**	**502**	**502**

Impairment testing of goodwill

Impairment testing of goodwill is performed annually at the end of the year by comparing the recoverable amount of cash-generating units (CGU) with their carrying amount. The recoverable amount is the higher of the value in use and fair value less costs to sell. The type of acquired entity, the level of operational integration and common management, determines the definition of the CGU. Based on these criteria, Ageas has designated CGUs on country level.

The recoverable amount of a CGU is assessed by means of a discounted cash-flow model of the anticipated future cash flows of the CGU. The key assumptions used in the cash flow model depend on input reflecting various financial and economic variables, including the risk-free rate in a given country and a premium to reflect the inherent risk of the entity being evaluated.

These variables are determined on the basis of management's judgement. If the entity is listed on a stock market, the market price will also be considered an element in the evaluation.

The breakdown of goodwill and impairments for the main cash-generating units as at 31 December 2023, whose carrying amount is significant in comparison with the entity's total carrying amount of goodwill, is as follows.

	Goodwill amount	Impairments	Net amount	Segment	Method used for recoverable amount
Cash-generating unit (CGU)					
Ageas Portugal	338		338	Europe	Value in use
Ageas (UK)	271	29	242	Europe	Value in use
Other	31	4	27		Value in use
Total	**640**	**33**	**607**		

Ageas Portugal

The reported goodwill for Ageas Portugal amounts to EUR 338 million (2022: EUR 337 million).

The value in use calculation uses expected dividends, based on business plans approved by local and Ageas's management over a period of three years.

Estimates for after this period have been extrapolated using a growth rate of 2.0 percent, which represents expected inflation in Portugal. The discount rate of 8.6 percent (2022: 8.6 percent) is based on the risk-free interest rate, equity risk premium and a beta coefficient. The impairment test showed that the recoverable amount exceeded the carrying value of the CGU including goodwill. Consequently, goodwill for Ageas Portugal was not impaired.

Based on the sensitivity analysis with regard to the assumptions, goodwill for Ageas Portugal would not be impaired if the growth rate was largely negative or the discount rate increased by 18 percentage points.

Ageas UK

Goodwill for Ageas UK amounts to GBP 235 million (2022: GBP 235 million). The net goodwill after impairment amounts to GBP 210 million (2022: GBP 210 million).

The value in use calculation uses expected dividends based on business plans approved by local and Ageas's management over a period of three years. Estimates for after this period have been extrapolated using a growth rate of 2.0 percent, which represents expected inflation.

The discount rate of 6.8 percent (2022: 5.9 percent) is based on the risk-free interest rate, equity risk premium and a beta coefficient. The impairment test showed that the recoverable amount exceeded the carrying value of the CGU including goodwill and goodwill was not impaired.

Based on the sensitivity analysis with regard to the assumptions, goodwill for the UK business would not be impaired if the long-term growth rate was negative and the discount rate increased by more than 4 percentage points.

Other

Other includes goodwill in Belgium and India.

7

Current and deferred tax assets and liabilities

The components of deferred tax assets and deferred tax liabilities as at 31 December are shown below.

	Statement of financial position		Recognised in income statement		Recognised in OCI	
	2023	2022	2023	2022	2023	2022
Deferred tax assets related to:						
Cash and cash equivalents						
Financial investments	23	90	3	(5)	(71)	14
Investment property	8	13	(5)			
Property and equipment	31	40	(10)	(1)		
Intangible assets (excluding goodwill)	8	8				
Insurance contract assets and liabilities	95	(163)	(61)	(188)	330	(2,824)
Reinsurance contract assets and liabilities						
Investment contract liabilities						
Borrowings and subordinated liabilities						
Provisions for pensions and post-retirement benefits	172	23	4		145	(61)
Tax losses available for offsetting against future taxable	66	63	2	(7)		
Other	25	148	14	1	(137)	(1)
Total deferred tax assets	**428**	**222**	**(53)**	**(200)**	**267**	**(2,872)**
Deferred tax liabilities related to:						
Cash and cash equivalents						
Financial investments	(507)	(964)	21	(170)	430	(3,035)
Investment property	83	87	(5)	(7)		
Property and equipment	180	175	(6)	(8)		
Intangible assets (excluding goodwill)	103	102	(1)			
Insurance contract assets and liabilities	24	22			4	
Reinsurance contract assets and liabilities						
Investment contract liabilities						
Debt certificates and subordinated liabilities	1	1				
Provisions for pensions and post-retirement benefits	1		1		(1)	
Other	54	42	10	4	4	(50)
Total deferred tax liabilities	**(61)**	**(535)**	**20**	**(181)**	**437**	**(3,085)**
Deferred tax income (expense)			**(73)**	**(19)**		
Movement in OCI related to deferred tax					**(170)**	**213**
Net deferred tax	**489**	**757**				

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority. The amounts in the statement of financial position after such offsetting are as follows.

	31 December 2023	31 December 2022
Current tax receivables	112	93
Current tax payables	58	87
Net current tax	**54**	**6**
Deferred tax assets	901	1,174
Deferred tax liabilities	412	417
Net deferred tax	**489**	**757**

Deferred tax assets are recognised only to the extent that it is probable that there will be sufficient future taxable profit against which the deferred tax asset can be utilised. Ageas has tax losses of EUR 233 million as at 31 December 2023 (as at 31 December 2022: EUR 261 million) for which deferred tax assets have been recognized. These tax losses are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

Ageas has EUR 3.6 billion of deferred tax assets that have not been recognised as at 31 December 2023. A significant portion of these unrecognised deferred tax assets relate to tax losses and unused tax credit, which are available indefinitely for offsetting against future taxable profits of the companies (mainly Ageas SA/NV) in which these tax losses and unused tax credit arose.

Accrued interest and other assets

	31 December 2023	31 December 2022
Receivables designated at FVTPL		1
Receivables measured at amortised cost	916	746
Accrued income and deferred expenses	1,048	1,034
Current income tax receivable	112	93
Property intended for sale	270	240
Defined benefit assets	46	52
Other assets	28	67
Total accrued interest and other assets before impairment	**2,420**	**2,233**
Impairments	(43)	(40)
Total carrying amount of accrued interest and other assets	**2,377**	**2,193**

Accrued income consists mainly of accrued interest income on government bonds (2023: EUR 601 million; 2022: EUR 626 million) and corporate bonds (2023: EUR 184 million; 2022: EUR 167 million).

The table below shows the changes in expected credit loss (ECL) relating to receivables.

	2023	2022
Balance as at 1 January, as previously reported		**52**
Transfer to Held for Sale		
Impact of initial application of IFRS 17 and IFRS 9		(8)
Net balance as at 1 January	**39**	**44**
Effect of changes in accounting policy		
Net remeasurement of loss allowance	2	(3)
Effects of movements in exchange rates		
Reversal due to sales	(2)	(1)
Effect of changes as result of acquisitions and divestments		
Write-offs without further legal enforcement		
Write-offs with further legal enforcement		
Other changes	(1)	(1)
Net balance as at 31 December	**38**	**39**

9 Insurance contracts assets and liabilities

The following tables and reconciliations show the insurance contracts assets and liabilities for Life and Non-Life contracts issued. Of the total insurance contracts liabilities, EUR 7,648 million is expected to be settled within one year (31 December 2022: EUR 7,600 million).

1. Assets and liabilities of Life insurance contracts issued

An analysis of the amounts presented in the statement of financial position is included in the table below:

31 December 2023	Notes	Assets	Liabilities	Total
Cash flows included in measurement of group of insurance contracts				
BBA	9.1.1	(7)	51,569	51,562
VFA	9.1.1		929	929
PAA	9.1.2		4,071	4,071
Cash flows not included in measurement of group of insurance contracts				
Acquisition costs				
- *Immediately expensed (PAA)*				
- *Not yet included in measurement*				
Other				
Total liabilities/(assets) of life insurance contracts issued		**(7)**	**56,569**	**56,562**

31 December 2022	Notes	Assets	Liabilities	Total
Cash flows included in measurement of group of insurance contracts				
BBA	9.1.1	(5)	50,425	50,420
VFA	9.1.1		831	831
PAA	9.1.2		4,157	4,157
Cash flows not included in measurement of group of insurance contracts				
Acquisition costs				
- *Immediately expensed (PAA)*				
- *Not yet included in measurement*				
Other			37	37
Total liabilities/(assets) of life insurance contracts issued		**(5)**	**55,450**	**55,445**

The table below shows another split of the insurance and investment contract assets and liabilities, relating to whether the risks of market movements are borne by the policyholder or not. The market risk of unit-linked insurance and investment contracts are borne by the policyholders.

	31 December 2023		31 December 2022	
	Carrying value	of which changes in value recognised in OCI	Carrying value	of which changes in value recognised in OCI
Insurance contract liabilities/(assets)	64,033	267	62,554	(1,619)
Investment contract liabilities	14,112		13,378	
Total insurance and investment contract liabilities/(assets)	**78,145**	**267**	**75,932**	**(1,619)**
Represented by:				
Life insurance and investment contract liabilities/(assets) for which risks are borne by insurer	52,286	559	51,199	(1,190)
Non-life insurance contract liabilities/(assets) for which risks are borne by insurer	7,471	(290)	7,109	(429)
Unit-linked insurance and investment contract liabilities/(assets)	18,388	(2)	17,624	
Total insurance and investment contract liabilities/(assets)	**78,145**	**267**	**75,932**	**(1,619)**

1.1 Roll-forwards of net asset or liability for Life insurance contracts – Contracts not measured under PAA

Analysis by remaining coverage and incurred claims – Contracts not measured under PAA (Life)

	Liabilities for remaining coverage			
2023	Excluding Loss component	Loss component	Liabilities for incurred claims	Total
Opening assets	(7)		2	(5)
Opening liabilities	50,837	93	326	51,256
Net balance as at 1 January	**50,830**	**93**	**328**	**51,251**
Contracts under the modified retrospective approach				
Contracts under fair value approach	(831)			(831)
Contracts under full retrospective approach and post transition	(411)			(411)
Insurance revenue	**(1,242)**			**(1,242)**
Incurred claims and other insurance service expense		(4)	812	808
Amortisation of insurance acquisition cash flows	24			24
Adjustments to liabilities for incurred claims			7	7
Losses and reversals of losses on onerous contracts		(30)		(30)
Insurance service expenses	**24**	**(34)**	**819**	**809**
Insurance service result	**(1,218)**	**(34)**	**819**	**(433)**
Net finance expenses from insurance contracts	**3,081**			**3,081**
- Of which foreign exchange differences	(64)			(64)
Total changes in the income statement and OCI	**1,863**	**(34)**	**819**	**2,648**
Investment components	**(5,307)**		**5,307**	
Premiums received	4,761			4,761
Insurance acquisition cash flows	(51)			(51)
Claims and other insurance service expense paid			(6,107)	(6,107)
Total cash flows	**4,710**		**(6,107)**	**(1,397)**
Other changes in net carrying amounts	(11)			(11)
Acquisitions and divestments of subsidiaries				
Net balance as at 31 December	**52,085**	**59**	**347**	**52,491**
Closing assets	(8)		1	(7)
Closing liabilities	52,093	59	346	52,498
Net balance as at 31 December	**52,085**	**59**	**347**	**52,491**

2022	Liabilities for remaining coverage: Excluding Loss component	Liabilities for remaining coverage: Loss component	Liabilities for incurred claims	Total
Opening assets	(14)		2	(12)
Opening liabilities	66,476	108	321	66,905
Net balance as at 1 January	**66,462**	**108**	**323**	**66,893**
Transfer to Held for Sale	(4,868)			(4,868)
Contracts under the modified retrospective approach				
Contracts under fair value approach	(735)			(735)
Contracts under full retrospective approach and post transition	(340)			(340)
Insurance revenue	**(1,075)**			**(1,075)**
Incurred claims and other insurance service expense		(7)	670	663
Amortisation of insurance acquisition cash flows	17			17
Adjustments to liabilities for incurred claims			9	9
Losses and reversals of losses on onerous contracts		(8)		(8)
Insurance service expenses	**17**	**(15)**	**679**	**681**
Insurance service result	**(1,058)**	**(15)**	**679**	**(394)**
Net finance expenses from insurance contracts	**(10,255)**		**(1)**	**(10,256)**
- Of which foreign exchange differences	(159)			(159)
Total changes in the income statement and OCI	**(11,313)**	**(15)**	**678**	**(10,650)**
Investment components	**(4,825)**		**4,825**	
Premiums received	3,813			3,813
Insurance acquisition cash flows	(57)			(57)
Claims and other insurance service expense paid			(5,498)	(5,498)
Total cash flows	**3,757**		**(5,498)**	**(1,741)**
Other changes in net carrying amounts	12			12
Acquisitions and divestments of subsidiaries	1,605			1,605
Net balance as at 31 December	**50,830**	**93**	**328**	**51,251**
Closing assets	(7)		2	(5)
Closing liabilities	50,837	93	326	51,256
Net balance as at 31 December	**50,830**	**93**	**328**	**51,251**

Analysis by component - Contracts not measured under PAA (Life)

			Contractual service margin				
2023	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under modified retrospective approach	Contracts under fair value approach	Contracts under full retrospective approach	Total CSM	Total
Opening assets	(20)	5		10		10	(5)
Opening liabilities	47,494	312		2,469	981	3,450	51,256
Net balance as at 1 January	**47,474**	**317**		**2,479**	**981**	**3,460**	**51,251**
Changes that relate to future service							
Changes in the estimates that adjust the CSM	(115)	25		(47)	137	90	
Changes in estimates that result in losses and reversal of losses on onerous contracts	(26)	(4)					(30)
Contracts initially recognised in the period	(346)	33			313	313	
Changes that relate to current service							
CSM recognised for current services				(279)	(107)	(386)	(386)
Change in the risk adjustment for non-financial risk		(32)					(32)
Experience adjustment	7						7
Changes that relate to past service							
Changes in fulfilment cash flows relating to incurred claims	8						8
Insurance service result	**(472)**	**22**		**(326)**	**343**	**17**	**(433)**
Net finance expenses from insurance contracts	**2,809**	**19**		**223**	**29**	**252**	**3,080**
- Of which foreign exchange differences	(62)	(1)		(1)		(1)	(64)
Total changes in the income statement and OCI	**2,337**	**41**		**(103)**	**372**	**269**	**2,647**
Net cash flows	(1,396)						(1,396)
Other changes in the net carrying amount				(11)		(11)	(11)
Acquisitions and divestments of subsidiaries							
Net balance as at 31 December	**48,415**	**358**		**2,365**	**1,353**	**3,718**	**52,491**
Closing assets	(19)	4		8		8	(7)
Closing liabilities	48,434	354		2,357	1,353	3,710	52,498
Net balance as at 31 December	**48,415**	**358**		**2,365**	**1,353**	**3,718**	**52,491**

2022	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin: Contracts under modified retrospective approach	Contracts under fair value approach	Contracts under full retrospective approach	Total CSM	Total
Opening assets	(32)	8		11		11	(13)
Opening liabilities	63,397	334	53	2,544	576	3,173	66,904
Net balance as at 1 January	**63,365**	**342**	**53**	**2,555**	**576**	**3,184**	**66,891**
Transfer to Held for Sale	(4,761)	(54)	(53)			(53)	(4,868)
Changes that relate to future service							
Changes in the estimates that adjust the CSM	(389)	73		67	248	315	(1)
Changes in estimates that result in losses and reversal of losses on onerous contracts	(2)	(5)					(7)
Contracts initially recognised in the period	(250)	24			226	226	
Changes that relate to current service							
CSM recognised for current services				(281)	(75)	(356)	(356)
Change in the risk adjustment for non-financial risk		(21)					(21)
Experience adjustment	(18)						(18)
Changes that relate to past service							
Changes in fulfilment cash flows relating to incurred claims	9						9
Insurance service result	**(650)**	**71**		**(214)**	**399**	**185**	**(394)**
Net finance expenses from insurance contracts	**(10,281)**	**(60)**		**79**	**6**	**85**	**(10,256)**
- Of which foreign exchange differences	(151)	(2)		(6)		(6)	(159)
Total changes in the income statement and OCI	**(10,931)**	**11**		**(135)**	**405**	**270**	**(10,650)**
Net cash flows	(1,741)						(1,741)
Other changes in the net carrying amount	12						12
Acquisitions and divestments of subsidiaries	1,530	18		59		59	1,607
Net balance as at 31 December	**47,474**	**317**		**2,479**	**981**	**3,460**	**51,251**
Closing assets	(20)	5		10		10	(5)
Closing liabilities	47,494	312		2,469	981	3,450	51,256
Net balance as at 31 December	**47,474**	**317**		**2,479**	**981**	**3,460**	**51,251**

Composition of underlying items of contracts measured under the variable fee approach

	Note	31 December 2023	31 December 2022
Cash and cash equivalents	*1*	19	10
Financial investments	*2*		
- Debt securities	*2.1*	556	532
- Equity investments	*2.3*	387	305
- Other investments		6	22
Investment property	*3*		
Total underlying items of contracts measured at variable fee approach		**968**	**869**

1.2. Roll-forwards of net asset or liability for Life insurance contracts – Contracts measured under PAA

Analysis by remaining coverage and incurred claims – Contracts measured under PAA (Life)

	Liabilities for remaining coverage		Liabilities for incurred claims		
2023	Excl. Loss component	Loss component	Estimates of future cash flows	Risk adjustment	Total
Opening assets					
Opening liabilities	4,051		105	1	4,157
Net balance as at 1 January	**4,051**		**105**	**1**	**4,157**
Insurance revenue	**(236)**				**(236)**
Incurred claims and other insurance service expense			114	1	115
Amortisation of insurance acquisition cash flows					
Adjustments to liabilities for incurred claims			(7)	(1)	(8)
Losses and reversals of losses on onerous contracts					
Insurance service expenses			**107**		**107**
Insurance service result	**(236)**		**107**		**(129)**
Net finance expenses from insurance contracts	358		1		359
- Of which foreign exchange differences					
Total changes in the income statement and OCI	**122**		**108**		**230**
Investment components	**(396)**		**395**		**(1)**
Premiums received	202				202
Insurance acquisition cash flows					
Claims and other insurance service expense paid			(517)		(517)
Total cash flows	**202**		**(517)**		**(315)**
Other changes in net carrying amounts					
Acquisitions and divestments of subsidiaries					
Net balance as at 31 December	**3,979**		**91**	**1**	**4,071**
Closing assets					
Closing liabilities	3,979		91	1	4,071
Net balance as at 31 December	**3,979**		**91**	**1**	**4,071**

2022	Liabilities for remaining coverage Excl. Loss component	Loss component	Liabilities for incurred claims Estimates of future cash flows	Risk adjustment	Total
Opening assets					
Opening liabilities	5,178		90	1	5,269
Net balance as at 1 January	**5,178**		**90**	**1**	**5,269**
Insurance revenue	**(222)**				**(222)**
Incurred claims and other insurance service expense			106		106
Amortisation of insurance acquisition cash flows					
Adjustments to liabilities for incurred claims			(7)		(7)
Losses and reversals of losses on onerous contracts					
Insurance service expenses			**99**		**99**
Insurance service result	**(222)**		**99**		**(123)**
Net finance expenses from insurance contracts	(715)		(1)		(716)
- Of which foreign exchange differences					
Total changes in the income statement and OCI	**(937)**		**98**		**(839)**
Investment components	**(391)**		**391**		
Premiums received	203				203
Insurance acquisition cash flows	(2)				(2)
Claims and other insurance service expense paid			(474)		(474)
Total cash flows	**201**		**(474)**		**(273)**
Other changes in net carrying amounts					
Acquisitions and divestments of subsidiaries					
Net balance as at 31 December	**4,051**		**105**	**1**	**4,157**
Closing assets					
Closing liabilities	4,051		105	1	4,157
Net balance as at 31 December	**4,051**		**105**	**1**	**4,157**

1.3 Effect of Life insurance contracts initially recognised in the period

				Of which acquired	
31 December 2023	Profitable contracts	Onerous contracts	Total	Profitable contracts	Onerous contracts
Estimates of present value of cash outflows, including:	**3,967**		**3,967**		
- *Insurance acquisition cash flows*	*57*		*57*		
- *Claims and other insurance service expenses payable*	*3,910*		*3,910*		
Estimates of present value of cash inflows	**(4,313)**		**(4,313)**		
Total estimates of present value of future cash flows	**(346)**		**(346)**		
Risk adjustment for non-financial risk	33		33		
Contractual service margin recognised on initial recognition	313		313		
Losses recognised on initial recognition					

				Of which acquired	
31 December 2022	Profitable contracts	Onerous contracts	Total	Profitable contracts	Onerous contracts
Estimates of present value of cash outflows, including:	**3,426**	**7**	**3,433**		
- *Insurance acquisition cash flows*	*65*		*65*		
- *Claims and other insurance service expenses payable*	*3,361*	*7*	*3,368*		
Estimates of present value of cash inflows	**(3,677)**	**(6)**	**(3,683)**		
Total estimates of present value of future cash flows	**(251)**	**1**	**(250)**		
Risk adjustment for non-financial risk	25		25		
Contractual service margin recognised on initial recognition	226		226		
Losses recognised on initial recognition		**1**	**1**		

2. Assets and liabilities arising from Non-Life insurance contracts issued

An analysis of the amounts presented in the statement of financial position is included in the table below:

31 December 2023	Notes	Assets	Liabilities	Total
Cash flows included in measurement of group of insurance contracts				
BBA	9.2.1		346	346
PAA	9.2.2	(14)	7,139	7,125
Cash flows not included in measurement of group of insurance contracts				
Acquisition costs				
- *Immediately expensed (PAA)*				
- *Not yet included in measurement*				
Other				
Total liabilities/(assets) of non-life insurance contracts issued		**(14)**	**7,485**	**7,471**

31 December 2022	Notes	Assets	Liabilities	Total
Cash flows included in measurement of group of insurance contracts				
BBA	9.2.1		338	338
PAA	9.2.2	(14)	6,740	6,726
Cash flows not included in measurement of group of insurance contracts				
Acquisition costs				
- *Immediately expensed (PAA)*				
- *Not yet included in measurement*				
Other		1	44	45
Total liabilities/(assets) of non-life insurance contracts issued		**(13)**	**7,122**	**7,109**

2.1. Roll-forwards of net asset or liability for Non-Life insurance contracts – Contracts not measured under PAA

Analysis by remaining coverage and incurred claims – Contracts not measured under PAA (Non-Life)

	Liabilities for remaining coverage			
2023	Excluding Loss component	Loss component	Liabilities for incurred claims	Total
Opening assets				
Opening liabilities	280	58		338
Net balance as at 1 January	**280**	**58**		**338**
Contracts under the modified retrospective approach	(56)			(56)
Contracts under fair value approach				
Contracts under full retrospective approach and post transition	(18)			(18)
Insurance revenue	**(74)**			**(74)**
Incurred claims and other insurance service expense		(5)	52	47
Amortisation of insurance acquisition cash flows	1			1
Adjustments to liabilities for incurred claims			20	20
Losses and reversals of losses on onerous contracts		(5)		(5)
Insurance service expenses	**1**	**(10)**	**72**	**63**
Insurance service result	**(73)**	**(10)**	**72**	**(11)**
Net finance expenses from insurance contracts	**(10)**	**2**		**(8)**
- Of which foreign exchange differences				
Total changes in the income statement and OCI	**(83)**	**(8)**	**72**	**(19)**
Investment components				
Premiums received	101			101
Insurance acquisition cash flows	(3)			(3)
Claims and other insurance service expense paid			(71)	(71)
Total cash flows	**98**		**(71)**	**27**
Other changes in net carrying amounts				
Acquisitions and divestments of subsidiaries				
Net balance as at 31 December	**295**	**50**	**1**	**346**
Closing assets				
Closing liabilities	295	50	1	346
Net balance as at 31 December	**295**	**50**	**1**	**346**

2022	Liabilities for remaining coverage Excluding Loss component	Loss component	Liabilities for incurred claims	Total
Opening assets				
Opening liabilities	288	72	2	362
Net balance as at 1 January	**288**	**72**	**2**	**362**
Contracts under the modified retrospective approach	(55)			(55)
Contracts under fair value approach	1			1
Contracts under full retrospective approach and post transition	(18)			(18)
Insurance revenue	**(72)**			**(72)**
Incurred claims and other insurance service expense		(4)	45	41
Amortisation of insurance acquisition cash flows	1			1
Adjustments to liabilities for incurred claims			19	19
Losses and reversals of losses on onerous contracts		(10)		(10)
Insurance service expenses	**1**	**(14)**	**64**	**51**
Insurance service result	**(71)**	**(14)**	**64**	**(21)**
Net finance expenses from insurance contracts	**(24)**			**(24)**
- Of which foreign exchange differences				
Total changes in the income statement and OCI	**(95)**	**(14)**	**64**	**(45)**
Investment components				
Premiums received	91			91
Insurance acquisition cash flows	(3)			(3)
Claims and other insurance service expense paid			(66)	(66)
Total cash flows	**87**		**(66)**	**21**
Other changes in net carrying amounts				
Acquisitions and divestments of subsidiaries				
Net balance as at 31 December	**280**	**58**		**338**
Closing assets				
Closing liabilities	280	58		338
Net balance as at 31 December	**280**	**58**		**338**

Analysis by component – Contracts not measured under PAA (Non-Life)

			Contractual service margin				
2023	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under modified retrospective approach	Contracts under fair value approach	Contracts under full retrospective approach	Total CSM	Total
Opening assets							
Opening liabilities	136	24	127		51	178	338
Net balance as at 1 January	**136**	**24**	**127**		**51**	**178**	**338**
Changes that relate to future service							
Changes in the estimates that adjust the CSM	5		(3)		(2)	(5)	
Changes in estimates that result in losses and reversal of losses on onerous contracts	(12)	4					(8)
Contracts initially recognised in the period	(4)	2			5	5	3
Changes that relate to current service							
CSM recognised for current services			(4)		(2)	(6)	(6)
Change in the risk adjustment for non-financial risk		(2)					(2)
Experience adjustment	(19)						(19)
Changes that relate to past service							
Changes in fulfilment cash flows relating to incurred claims	21						21
Insurance service result	**(9)**	**4**	**(7)**		**1**	**(6)**	**(11)**
Net finance expenses from insurance contracts	**(13)**	**2**	**3**			**3**	**(8)**
- Of which foreign exchange differences							
Total changes in the income statement and OCI	**(22)**	**6**	**(4)**		**1**	**(3)**	**(19)**
Net cash flows	27						27
Other changes in the net carrying amount							
Acquisitions and divestments of subsidiaries							
Net balance as at 31 December	**141**	**30**	**123**		**52**	**175**	**346**
Closing assets							
Closing liabilities	141	30	123		52	175	346
Net balance as at 31 December	**141**	**30**	**123**		**52**	**175**	**346**

2022	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin: Contracts under modified retrospective approach	Contractual service margin: Contracts under fair value approach	Contractual service margin: Contracts under full retrospective approach	Total CSM	Total
Opening assets							
Opening liabilities	171	43	112		35	147	361
Net balance as at 1 January	**171**	**43**	**112**		**35**	**147**	**361**
Changes that relate to future service							
Changes in the estimates that adjust the CSM	(27)	(1)	15		13	28	
Changes in estimates that result in losses and reversal of losses on onerous contracts	(9)	(12)					(21)
Contracts initially recognised in the period	1	4			6	6	11
Changes that relate to current service							
CSM recognised for current services			(3)		(3)	(6)	(6)
Change in the risk adjustment for non-financial risk		(3)					(3)
Experience adjustment	(21)						(21)
Changes that relate to past service							
Changes in fulfilment cash flows relating to incurred claims	19						19
Insurance service result	**(37)**	**(12)**	**12**		**16**	**28**	**(21)**
Net finance expenses from insurance contracts	**(19)**	**(7)**	**3**			**3**	**(23)**
- Of which foreign exchange differences							
Total changes in the income statement and OCI	**(56)**	**(19)**	**15**		**16**	**31**	**(44)**
Net cash flows	21						21
Other changes in the net carrying amount							
Acquisitions and divestments of subsidiaries							
Net balance as at 31 December	**136**	**24**	**127**		**51**	**178**	**338**
Closing assets							
Closing liabilities	136	24	127		51	178	338
Net balance as at 31 December	**136**	**24**	**127**		**51**	**178**	**338**

2.2 Roll-forwards of net asset or liability for Non-Life insurance contracts – Contracts measured under PAA

Analysis by remaining coverage and incurred claims – Contracts measured under PAA (Non-Life)

	Liabilities for remaining coverage		Liabilities for incurred claims		
2023	Excl. Loss component	Loss component	Estimates of future cash flows	Risk adjustment	Total
Opening assets	1		(15)		(14)
Opening liabilities	1,070		5,459	211	6,740
Net balance as at 1 January	**1,071**		**5,444**	**211**	**6,726**
Insurance revenue	**(4,884)**				**(4,884)**
Incurred claims and other insurance service expense			3,420	57	3,477
Amortisation of insurance acquisition cash flows	2				2
Adjustments to liabilities for incurred claims			(233)	(83)	(316)
Losses and reversals of losses on onerous contracts					
Insurance service expenses	**2**		**3,187**	**(26)**	**3,163**
Insurance service result	**(4,882)**		**3,187**	**(26)**	**(1,721)**
Net finance expenses from insurance contracts	**11**		**315**	**14**	**340**
- Of which foreign exchange differences	11		35	2	48
Total changes in the income statement and OCI	**(4,871)**		**3,502**	**(12)**	**(1,381)**
Investment components	**(16)**		**16**		
Premiums received	5,117				5,117
Insurance acquisition cash flows	(3)				(3)
Claims and other insurance service expense paid			(3,364)		(3,364)
Total cash flows	**5,114**		**(3,364)**		**1,750**
Other changes in net carrying amounts					
Acquisitions and divestments of subsidiaries	24		6		30
Net balance as at 31 December	**1,322**		**5,604**	**199**	**7,125**
Closing assets	2		(16)		(14)
Closing liabilities	1,320		5,620	199	7,139
Net balance as at 31 December	**1,322**		**5,604**	**199**	**7,125**

2022	Liabilities for remaining coverage: Excl. Loss component	Liabilities for remaining coverage: Loss component	Liabilities for incurred claims: Estimates of future cash flows	Liabilities for incurred claims: Risk adjustment	Total
Opening assets	1		(21)		(20)
Opening liabilities	1,155	13	6,316	259	7,743
Net balance as at 1 January	**1,156**	**13**	**6,295**	**259**	**7,723**
Insurance revenue	**(4,594)**				**(4,594)**
Incurred claims and other insurance service expense			3,368	65	3,433
Amortisation of insurance acquisition cash flows	2				2
Adjustments to liabilities for incurred claims			(157)	(71)	(228)
Losses and reversals of losses on onerous contracts		(13)			(13)
Insurance service expenses	**2**	**(13)**	**3,211**	**(6)**	**3,194**
Insurance service result	**(4,592)**	**(13)**	**3,211**	**(6)**	**(1,400)**
Net finance expenses from insurance contracts	**(29)**		**(981)**	**(41)**	**(1,051)**
- Of which foreign exchange differences	(29)		(97)	(6)	(132)
Total changes in the income statement and OCI	**(4,621)**	**(13)**	**2,230**	**(47)**	**(2,451)**
Investment components	**(13)**		**13**		
Premiums received	4,554				4,554
Insurance acquisition cash flows	(3)				(3)
Claims and other insurance service expense paid			(3,092)		(3,092)
Total cash flows	**4,551**		**(3,092)**		**1,459**
Other changes in net carrying amounts	(2)		(2)	(1)	(5)
Acquisitions and divestments of subsidiaries					
Net balance as at 31 December	**1,071**		**5,444**	**211**	**6,726**
Closing assets	1		(15)		(14)
Closing liabilities	1,070		5,459	211	6,740
Net balance as at 31 December	**1,071**		**5,444**	**211**	**6,726**

2.3 Effect of Non-Life insurance contracts initially recognised in the period

The tables below show the effect for the contracts not measured under the PAA.

				Of which acquired	
31 December 2023	Profitable contracts	Onerous contracts	Total	Profitable contracts	Onerous contracts
Estimates of present value of cash outflows, including:	**60**	**11**	**71**		
- *Insurance acquisition cash flows*	*2*	*1*	*3*		
- *Claims and other insurance service expenses payable*	*58*	*10*	*68*		
Estimates of present value of cash inflows	**(65)**	**(10)**	**(75)**		
Total estimates of present value of future cash flows	**(5)**	**1**	**(4)**		
Risk adjustment for non-financial risk		2	2		
Contractual service margin recognised on initial recognition	5		5		
Losses recognised on initial recognition		**3**	**3**		

				Of which acquired	
31 December 2022	Profitable contracts	Onerous contracts	Total	Profitable contracts	Onerous contracts
Estimates of present value of cash outflows, including:	**75**	**19**	**94**		
- *Insurance acquisition cash flows*	*2*	*2*	*4*		
- *Claims and other insurance service expenses payable*	*73*	*17*	*90*		
Estimates of present value of cash inflows	**(81)**	**(13)**	**(94)**		
Total estimates of present value of future cash flows	**(6)**	**6**			
Risk adjustment for non-financial risk		4	4		
Contractual service margin recognised on initial recognition	6		6		
Losses recognised on initial recognition		**10**	**10**		

3 Contractual service margin release

The following table sets out the expected recognition of the remaining contractual service margin (before tax) in the income statement after the reporting date for insurance contracts not measured under PAA.

	31 December 2023		31 December 2022	
	Life	Non-Life	Life	Non-Life
Less than 1 year	348	5	327	5
1 year to 2 years	309	5	289	5
2 years to 3 years	275	5	254	5
3 years to 4 years	249	5	228	5
4 years to 5 years	228	5	209	5
5 years to 10 years	881	24	836	25
More than 10 years	1,428	126	1,317	128
Total contractual service margin of insurance contracts issued	**3,718**	**175**	**3,460**	**178**

10 Reinsurance contracts assets and liabilities

1. Assets and liabilities arising from reinsurance contracts

An analysis of the amounts presented in the statement of financial position is included in the table below:

31 December 2023	Assets	Liabilities	Total
Life reinsurance PAA	11		11
Non-life reinsurance PAA	642		642
Total assets/(liabilities) of reinsurance contracts held	**653**		**653**

31 December 2022	Assets	Liabilities	Total
Life reinsurance PAA	7		7
Non-life reinsurance PAA	670		670
Total assets/(liabilities) of reinsurance contracts held	**677**		**677**

Of the total reinsurance contracts assets, EUR 174 million is expected to be recovered within one year (31 December 2022: EUR 194 million).

2. Roll-forward of net asset or liability for reinsurance contracts by measurement model: PAA

Analysis by remaining coverage and incurred claims – PAA (Reinsurance)

	Remaining coverage component		Incurred claims component		
2023	Excl. Loss recovery component	Loss recovery component	Estimates of future cash flows	Risk adjustment for non-financial risk	Total
Opening assets	43		593	41	677
Opening liabilities					
Net balance as at 1 January	**43**		**593**	**41**	**677**
Allocation of reinsurance premiums (*)	(339)				(339)
Recoveries of incurred claims and other insurance service expenses			132	6	138
Recoveries and reversals of recoveries of losses on onerous underlying contracts					
Adjustments to assets for incurred claims			(25)	(13)	(38)
Amounts recoverable from reinsurers (*)			107	(7)	100
Effect of changes in non-performance risk of reinsurers					
Net expenses from reinsurance contracts held	**(339)**		**107**	**(7)**	**(239)**
Net finance income from reinsurance contracts held			**42**	**4**	**46**
- Of which foreign exchange differences			6	1	7
Total changes in the income statement and OCI	**(339)**		**149**	**(3)**	**(193)**
Investment components	**(78)**		**78**		
Premiums paid (*)	377				377
Amounts received from reinsurance (*)			(208)		(208)
Total cash flows	**377**		**(208)**		**169**
Other changes in the net carrying amount					
Acquisitions and divestments of subsidiaries					
Net balance as at 31 December	**3**		**612**	**38**	**653**
Closing assets	3		612	38	653
Closing liabilities					
Net balance as at 31 December	**3**		**612**	**38**	**653**

2022	Remaining coverage component: Excl. Loss recovery component	Remaining coverage component: Loss recovery component	Incurred claims component: Estimates of future cash flows	Incurred claims component: Risk adjustment for non-financial risk	Total
Opening assets	30		759	59	848
Opening liabilities	(6)		4		(2)
Net balance as at 1 January	**24**		**763**	**59**	**846**
Allocation of reinsurance premiums (*)	(294)				(294)
Recoveries of incurred claims and other insurance service expenses			161	6	167
Recoveries and reversals of recoveries of losses on onerous underlying contracts					
Adjustments to assets for incurred claims			21	(6)	15
Amounts recoverable from reinsurers (*)			182	1	183
Effect of changes in non-performance risk of reinsurers					
Net expenses from reinsurance contracts held	**(294)**		**182**	**1**	**(111)**
Net finance income from reinsurance contracts held	**(1)**		**(210)**	**(19)**	**(230)**
- Of which foreign exchange differences			(20)	(2)	(22)
Total changes in the income statement and OCI	**(295)**		**(28)**	**(18)**	**(341)**
Investment components	**(78)**		**78**		
Premiums paid (*)	392				392
Amounts received from reinsurance (*)			(220)		(220)
Total cash flows	**392**		**(220)**		**172**
Other changes in the net carrying amount					
Acquisitions and divestments of subsidiaries					
Net balance as at 31 December	**43**		**593**	**41**	**677**
Closing assets	43		593	41	677
Closing liabilities					
Net balance as at 31 December	**43**		**593**	**41**	**677**

(*) In presenting the reinsurance premiums paid and amounts recoverable from reinsurers, Ageas recognises ceding commissions as follows:
- Ceding commissions that are contingent on claims on the underlying insurance contracts issued increase the amount of claims that Ageas expects to recover from the reinsurer; and
- Ceding commissions that are not contingent on claims on the underlying insurance contracts issued are recognised as a reduction of the reinsurance premiums.

11

Borrowings

	31 December 2023	31 December 2022
Amortised cost		
Due to banks	864	899
Lease liabilities	656	630
Other borrowings	109	63
Debt certificates	38	
Total borrowings and debt certificates measured at amortised cost	**1,667**	**1,592**

An amount of EUR 159 million of financial instruments and property has been pledged as collateral (2022: EUR 164 million) for other borrowings.

The carrying value of the borrowings is a reasonable approximation of their fair value as contract maturities are less than one year. Accordingly, the fair value is based upon observable market data (level 2).

The lease liabilities are discounted using the lessee's incremental borrowing rate and the interest expense on the lease liability is presented separately from the depreciation expense of the right-of-use asset.

	31 December 2023	31 December 2022
Balance as at 1 January	**1,592**	**1,386**
Transfer to Held for Sale		(3)
Change in accounting policy		
Acquisitions and divestments of subsidiaries	9	150
Proceeds from issuance	186	226
Payments	(117)	(167)
Foreign exchange differences		
Realised and unrealised gains (losses)		
Other	(3)	
Balance at end of period	**1,667**	**1,592**

The following table shows the undiscounted cash flows of the borrowings, except for lease liabilities classified by relevant maturity group.

	31 December 2023	31 December 2022
Less than 1 year	231	232
1 year to 3 years	55	61
3 years to 5 years	40	39
More than 5 years	685	630
Total	**1,011**	**962**

Lease obligations as lessee (undiscounted)

	31 December 2023		31 December 2022	
	Finance lease Minimum lease payments	Present value of the minimum lease payments	Finance lease Minimum lease payments	Present value of the minimum lease payments
Less than 1 year	93	78	86	67
1 year to 2 years	86	67	80	63
2 years to 3 years	76	59	73	58
3 years to 4 years	67	52	62	48
4 years to 5 years	56	42	56	44
More than 5 years	512	358	495	350
Total	**890**	**656**	**852**	**630**
Annual rental expense	6		4	
Future finance charges	234		222	

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Subordinated liabilities

	31 December 2023	31 December 2022
Amortised cost		
Issued by Ageasfinlux S.A.		
FRESH Restricted Tier 1 Notes	151	151
Issued by Ageas SA/NV		
Perpetual Subordinated Fixed Rate Resettable Temporary Write-Down Restricted Tier 1 Notes	746	744
Subordinated Fixed to Floating Rate Tier 2 Notes	992	991
Issued by AG Insurance		
Subordinated Fixed to Floating Rate Tier 2 Loan	74	74
Fixed Rate Reset Dated Subordinated Tier 2 Notes	398	398
Fixed to Floating Callable Subordinated Tier 2 Notes	100	100
Issued by Millenniumbcp Ageas		
Fixed to Floating Rate Callable Subordinated Restricted Tier 1 Loan	59	59
Total subordinated liabilities measured at amortised cost	**2,520**	**2,517**

Changes in subordinated liabilities during the period are as follows.

	31 December 2023	31 December 2022
Balance as at 1 January	**2,517**	**2,748**
Proceeds from issuance		
Redemption		
Realised gains (losses)		
Foreign exchange differences		
Other	3	(231)
Balance at end of period	**2,520**	**2,517**

Other EUR (231) million is related to the acquisition of FRESH securities in the fourth quarter of 2022.

Most of the outstanding subordinated liabilities as at 31 December 2023 are balances with a maturity of more than 5 years.

1. FRESH Grandfathered Restricted Tier 1 Notes

On 7 May 2002, Ageasfinlux S.A. issued undated Floating Rate Equity-linked Subordinated Hybrid capital securities (FRESH) for a total principal amount of EUR 1,250 million at a floating rate of 3-month Euribor + 135 basis points. The securities have no maturity date, but may be exchanged for Ageas shares at a price of EUR 315 per share at the discretion of the holder. The securities will automatically convert into Ageas shares if the price of the Ageas share is equal to or higher than EUR 472.50 on twenty consecutive stock exchange business days.

The securities qualify as Grandfathered Tier 1 capital under Solvency II and are rated A- by Standard & Poor's, Baa2 by Moody's and BBB by Fitch. The securities were issued by Ageasfinlux S.A., with Ageas SA/NV acting as co-obligor. The principal amount of the securities will not be repaid in cash. The sole recourse of the holders of the FRESH against the co-obligors with respect to the principal amount are the currently outstanding 1.2 million Ageas shares that Ageasfinlux S.A. pledged in favour of such holders. Pending the exchange of the FRESH for Ageas shares, these Ageas shares do not have any dividend rights or voting rights (the reported number of outstanding Ageas shares as at 31 December 2023 already includes the 1.2 million Ageas shares issued for the purpose of such exchange).

In the event that dividends are not paid on the Ageas shares, or that the dividends to be declared are below a threshold with respect to any financial year (dividend yield less than 0.5%) and in certain other exceptional circumstances, payment of coupons will be made in accordance with the so-called alternative coupon settlement method (ACSM). The ACSM implies that new Ageas shares will be issued and delivered to the holders of the FRESH. To date all coupons have been paid in cash. If the ACSM is triggered and there is insufficient available authorised capital to enable Ageas SA/NV to meet the ACSM obligation, the coupon settlement will be postponed until such time as the ability to issue shares is restored.

On 19 November 2019 Ageas launched, through its wholly owned subsidiary Ageasfinlux S.A., an offer to purchase in cash any and all of the outstanding FRESH securities. Ageasfinlux S.A. simultaneously launched a consent solicitation to permit the purchase of the FRESH securities. Consent of at least a majority of the aggregate principal amount of the FRESH outstanding was necessary for the proposed amendment to the conditions of the FRESH to be adopted.

On 3 January 2020, Ageas announced that in total 65.50% (EUR 818,750,000) of the aggregate principal amount of the FRESH securities outstanding were tendered and accepted for purchase. Subsequently, at the beginning of Q2 2020 Ageas purchased FRESH securities representing an aggregate principal amount of EUR 47,250,000 following a reverse inquiry by a third-party holder. All the purchased FRESH securities in 2020 were exchanged into 2,749,206 underlying shares of Ageas SA/NV. These shares are recognised on the Group's balance sheet as treasury shares and are not entitled to dividends or voting rights. The total number of outstanding shares of Ageas SA/NV as an effect from the operation remains unchanged.

In the course of the fourth quarter of 2022, Ageas SA/NV acquired an aggregate principal amount of EUR 233.25 million of FRESH securities which were issued in 2002 by Ageasfinlux S.A. The EUR 233.25 million of FRESH securities acquired are currently held by Ageas SA/NV and have not yet been exchanged into Ageas shares. Therefore as at 31 December 2023, EUR 384 million in aggregate principal amount remains outstanding at the level of Ageasfinlux S.A. The EUR 233.25 million is eliminated at Ageas group level. Please refer to note 20 for the resulting impact on the prior year consolidated income statement.

2. Ageas SA/NV Subordinated Fixed to Floating Rate Tier 2 Notes

On 24 November 2020 Ageas SA/NV issued debt securities in the form of EUR 500 million Subordinated Fixed to Floating Rate Tier 2 Notes maturing in 2051.

The Notes have a fixed coupon rate of 1.875% payable annually until the first reset date (24 November 2031). As of the first reset date, the coupon becomes payable quarterly at a 3-month Euribor floating rate increased with an initial credit spread and a points step-up.

Note that Ageas at its option may choose to call the instrument as of 24 May 2031, which is 6 months prior to the first reset date.

The instrument qualifies as Tier 2 capital for both Ageas Group and Ageas SA/NV under Solvency II and is rated A- by both Standard & Poor's and Fitch.The instrument is listed on the regulated market of the Luxembourg Stock Exchange.

3. Ageas SA/NV Perpetual Subordinated Fixed Rate Resettable Temporary Write-Down Restricted Tier 1 Notes

On 10 December 2019 Ageas SA/NV issued subordinated debt securities for an aggregate principal amount of EUR 750 million in the form of Perpetual Subordinated Fixed Rate Resettable Temporary WriteDown Restricted Tier 1 Notes;

These notes have a fixed coupon rate of 3.875% payable annually with reset in June 2030 (no step-up) and every 5 years thereafter. They have no scheduled maturity date and, except in certain limited circumstances, may not be redeemed by Ageas SA/NV before the period preceding June 2030. They qualify as restricted Tier 1 capital for both Ageas Group and Ageas SA/NV under Solvency II and are rated BBB+ by Standard & Poor's and BBB by Fitch. They are listed on the regulated market of the Luxembourg Stock Exchange.

The net proceeds from the issuance of this instrument were used for general corporate purposes and to strengthen the regulatory solvency of the Ageas Group and its operating subsidiaries, including by way of replacing the FRESH securities that were tendered as part of the offer launched by Ageas in 2019.

4. Ageas SA/NV Subordinated Fixed to Floating Rate Tier 2 Notes

On 10 April 2019 Ageas SA/NV issued its inaugural debt securities in the form of EUR 500 million Subordinated Fixed to Floating Rate Tier 2 Notes maturing in 2049.

These notes have a fixed coupon rate of 3.25% payable annually until the first call date (2 July 2029). As of the first call date, the coupon becomes payable quarterly at a 3-month Euribor floating rate increased with an initial credit spread and a 100 basis points step-up.

This instrument qualifies as Tier 2 capital for both Ageas Group and Ageas SA/NV under Solvency II and is rated A- by both Standard & Poor's and Fitch. It is listed on the regulated market of the Luxembourg Stock Exchange.

5. AG Insurance Subordinated Fixed to Floating Rate Tier 2 Loan

On 27 June 2019, Ageas and BNP Paribas Cardif granted a EUR 300 million (Ageas: EUR 225 million; BNP Paribas Cardif: EUR 75 million) subordinated loan to AG Insurance at an interest rate of 3.25%. The intercompany loan between Ageas and AG Insurance is eliminated at Ageas group level. The loan may be repaid at the option of AG Insurance, in whole but not in part, on the first call date at 27 June 2029 or at any interest payment date thereafter. On their first call date the Notes will bear interest at a floating rate of 3 month Euribor plus 3.800% per annum, payable quarterly.

6. AG Insurance Fixed Rate Reset Dated Subordinated Tier 2 Notes

On 31 March 2015, AG Insurance issued EUR 400 million Fixed Rate Reset Dated Subordinated Tier 2 Securities due 2047 at an interest rate of 3.5% and with a maturity of 32 years. The securities may be redeemed at the option of AG Insurance, in whole but not in part, on the first call date at 30 June 2027 or at any interest payment date thereafter. On the first call date and on each fifth anniversary of the first call date the interest rate will be reset equal to the sum of the five-year euro mid swap rate plus 3.875%. The Notes are listed on the Luxembourg Stock Exchange and qualify as Tier 2 capital under Solvency II. They are rated A- by both Standard & Poor's and Fitch.

7. AG Insurance Fixed-to Floating Callable Subordinated Tier 2 Notes

On 18 December 2013, AG Insurance issued EUR 450 million Fixed-to-Floating Callable Subordinated Tier 2 Notes due 2044 at an interest rate of 5.25% and with a maturity of 31 years. The notes may be redeemed at the option of AG Insurance, in whole but not in part, on the first call date at 18 June 2024 or at any interest payment date thereafter. On their first call date the Notes will bear interest at a floating rate of 3 month Euribor plus 4.136% per annum, payable quarterly.

The Notes are subscribed by Ageas SA/NV (EUR 350 million) and by BNP Paribas Fortis SA/NV (EUR 100 million) and are listed on the Luxembourg Stock Exchange. The Notes qualify as Tier 2 capital under Solvency II and are rated A- by both Standard & Poor's and Fitch. The part underwritten by Ageas SA/NV is eliminated as intercompany transaction.

8. Millenniumbcp Ageas Fixed-to-Floating Callable Subordinated Grandfathered Restricted Tier 1 Loan

On 5 December 2014, Ageas Insurance International N.V. (51%) (AII) and BCP Investments B.V. (49%) granted a subordinated loan of EUR 120 million to Millenniumbcp Ageas at 4.75% per annum up to the first call date in December 2019 and 6-month Euribor + 475 basis points per annum thereafter. As of Q2 2020 the loan previously owned by Ageas Insurance International has been transferred to the balance sheet of Ageas SA/NV. The part underwritten by Ageas SA/NV is eliminated because it is an intercompany transaction. The Notes qualify as Grandfathered Tier 1 capital under Solvency II.

13 RPN(I)

The RPN(I) is a financial instrument that results in quarterly payments being made to,or received from, BNP Paribas Fortis SA/NV.

BNP Paribas Fortis SA/NV issued CASHES securities in 2007 with Ageas SA/NV as co-obligor (see Note 28 Contingent liabilities). CASHES are exchangeable securities that are exchanged into Ageas shares at a pre-set price of EUR 239.40 per share. BNP Paribas Fortis SA/NV and Ageas SA/NV, at that point in time both part of the Fortis group, introduced a Relative Performance Note, designed to avoid accounting volatility on the Ageas shares and on the CASHES valued at fair value in the books of BNP Paribas Fortis SA/NV. Upon the break-up of Fortis in 2009, BNP Paribas Fortis SA/NV and Ageas agreed to pay interest on a reference amount stated in this Relative Performance Note. The quarterly interest payment is valued as a financial instrument and referred to as RPN(I).

The RPN(I) exists to the extent that CASHES securities remain outstanding. Originally, 12,000 CASHES securities were issued in 2007.
In February 2012 BNP Paribas launched a public tender on CASHES at a price of 47.5% and exchanged 7,553 tendered CASHES securities into Ageas shares; Ageas agreed to pay a EUR 287 million indemnity to BNP Paribas as the exchange triggered a pro rata cancellation of the RPN(I) liability.

In May 2015 Ageas and BNP Paribas agreed that BNP Paribas could purchase CASHES from individual investors at any given time, under the condition that the purchased securities would be exchanged into Ageas shares; at such exchange the pro rata part of the RPN(I) liability would be paid to BNP Paribas, while Ageas would receive a break-up fee which was subject to the price at which BNP Paribas succeeded in purchasing CASHES.

BNP Paribas purchased and exchanged 656 CASHES under this agreement in the first nine months of 2016; Ageas paid EUR 44 million for the pro rata settlement of the RPN(I), after the deduction of the received break-up fee. The agreement between Ageas and BNP Paribas expired at year-end 2016 and was not renewed.

In the second half of 2022 Ageas settled part of the RPN(I) for an amount of EUR 46.6 million.

At 31 December 2023, 3,326 CASHES remained outstanding.

Reference amount and interest paid

The reference amount is calculated as follows:

- the difference between EUR 2,350 million and the market value of 13 million Ageas shares in which the instrument is exchanged, less
- the difference between EUR 3,000 million (the aggregate principal amount of CASHES originally issued in 2007) and the market value of the CASHES as quoted by the Luxembourg Stock Exchange, multiplied by
- the number of CASHES securities outstanding (3,326 at 31 December 2023) divided by the number of CASHES securities originally issued (12,000).

Ageas pays interest to BNP Paribas Fortis SA/NV on the average reference amount in the quarter (if the above outcome becomes negative BNP Paribas Fortis SA/NV will pay Ageas); the interest amounts to Euribor plus 90 basis points. Ageas pledged 5.5% of the total AG Insurance shares outstanding in favour of BNP Paribas Fortis SA/NV.

Valuation

Ageas applies a transfer notion to arrive at the fair value of the RPN(I) liability. Fair value is defined in IFRS 13 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The definition is explicitly described as an exit price, linked with the price 'paid to transfer a liability'. When such pricing is not available and the liability is held by another entity as an asset, the liability needs to be valued from the perspective of the market participant that holds the asset. Ageas values its liability at the reference amount.

The RPN reference amount is based on the CASHES price and the Ageas share price. The reference amount increased from EUR 334.3 million at year-end 2022 to EUR 398.4 million at 31 December 2023, driven by the increase in the CASHES price from 79.17% at 31 December 2022 to 86.00% at 31 December 2023 and by the decrease in the Ageas share price from EUR 41.42 to EUR 39.31 over the same period.

Sensitivity of RPN(I) Value

At 31 December 2023, each 1% increase in the CASHES price, expressed as a percentage of its nominal value, leads to an increase of EUR 8.3 million in the reference amount, while each EUR 1.00 increase in the Ageas share price decreases the reference amount by EUR 3.5 million.

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Accrued interest and other liabilities

	31 December 2023	31 December 2022
Derivatives held for trading and hedging	18	4
Liabilities related to written put options on NCI	119	114
Deferred revenues and accrued expenses	299	236
Liabilities for employee benefits		
Defined benefit pension liabilities	628	576
Defined benefit liabilities other than pension	97	89
Termination benefits	5	5
Other long-term employee benefit liabilities	18	14
Short-term employee benefit liabilities	144	124
Total liabilities for employee benefits	**892**	**808**
Payables		
Accounts payable	236	236
Due to agents, policyholders and intermediaries	284	197
Current income tax payable	58	87
VAT and other taxes payable	99	83
Dividends payable	20	19
Other liabilities	381	498
Total payables	**1,078**	**1,120**
Total other liabilities	**2,406**	**2,282**

Details of employee benefit liabilities can be found in note 26, section 26.1 Employee benefits.

The line item ‘Other liabilities’ includes payables related to the clearing of securities transactions, cash received awaiting allocation to investments and small expenses to be paid.

Details on derivatives can be found in note 2 Financial investments.

Deferred revenues and accrued amounts are considered to be short term liabilities with a maturity of less than one year.

The following tables show the maturity of the payables by undiscounted cash flow.

31 December 2023	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total undiscounted cash flows	Effect of discounting	Total carrying amount
Undiscounted cashflow	868	18	27	107	1,020		1,020
Total	**868**	**18**	**27**	**107**	**1,020**		**1,020**

31 December 2022	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total undiscounted cash flows	Effect of discounting	Total carrying amount
Undiscounted cashflow	780	182	50	21	1,033		1,033
Total	**780**	**182**	**50**	**21**	**1,033**		**1,033**

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Provisions

The provisions mainly relate to legal disputes and reorganisations and are based on best estimates available at period-end based on management judgement, in most cases supported by the opinion of legal advisors. The timing of the outflow of cash related to these provisions is by nature uncertain given the unpredictability of the outcome and the time involved in concluding litigations/disputes. We refer to note 28 Contingent liabilities, which describes the various ongoing litigation proceedings, which as at 31 December 2023 constitute contingent liabilities without provisions.

The only provision for legal proceedings, the remaining provision for the Fortis settlement (EUR 1.3 million as at 31 December 2022 and EUR 0.9 million as at 30 June 2023), was released at the end of the third quarter of 2023 and Ageas booked a payable of EUR 1.2 million for outstanding amounts payable resulting from rejected payments.

The amounts are presented under the line item ‘Provisions’ in the statement of financial position and the line item ‘Change in provisions’ in the income statement.

Changes in provisions during the period are shown as follows.

	31 December 2023	31 December 2022
Balance as at 1 January	**72**	**182**
Transfer to Held for Sale		(3)
Acquisitions and divestments of subsidiaries		
Increase (Decrease) in provisions	(10)	1
Utilised during the year		(109)
Foreign exchange differences		(1)
Other	3	2
Balance at end of period	**65**	**72**

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Shareholders’ equity

Shares issued, outstanding and potential number of shares

In thousands	Shares issued	Treasury shares	Shares outstanding
Number of shares as at 1 January 2022	**191,033**	**(5,296)**	**185,737**
Cancelled shares	(1,302)	1,302	
Balance (acquired)/sold		(2,152)	(2,152)
Used for management share plans		71	71
Number of shares as at 31 December 2022	**189,731**	**(6,075)**	**183,656**
Cancelled shares	(1,760)	1,760	
Balance (acquired)/sold		15	15
Used for management share plans			
Number of shares as at 31 December 2023	**187,971**	**(4,300)**	**183,671**

To the extent rules and regulations permit, and in the interest of the company, the Board of Ageas was authorised for a period of three years (2023-2026) by the General Meeting of Shareholders of 17 May 2023 to increase the share capital by a maximum amount of EUR 150,000,000.

Applied to an accounting par value of EUR 7.99, this authorisation enables the issuance of up to 18,765,000 shares, representing approximately 10% of the total current share capital of the company. In addition to its use for general purposes, this authorisation enables the company to meet its potential obligations to issue new shares pursuant to the so-called alternative coupon settlement method (ACSM) included in certain hybrid financial instruments (for details see note 12 Subordinated liabilities and note 28 Contingent liabilities).

Treasury shares

Treasury shares are issued ordinary shares that have been bought back by Ageas. The shares are deducted from shareholders’ equity and reported in ‘Other reserves’.

Share buy-back programme

No new share buy-back programme has been announced by Ageas SA/NV after the last one was terminated on 29 July 2022, for an amount of EUR 150 million.

The Extraordinary General Meeting of Shareholders of Ageas SA/NV of 17 May 2023 approved the cancellation of 1,760,000 shares. As a result, the total number of issued shares is reduced to 187,971,187.

Restricted share programme

Ageas created restricted share programmes for the members of the Executive and Management Committee (see also note 26 section 2. Employee share and share-linked incentive plans).

Shares entitled to dividend and voting rights

In thousands	
Number of shares issued as at 31 December 2023	**187,971**
Shares not entitled to dividend and voting rights:	
Shares held by Ageas SA/NV (treasury shares)	3,081
Shares related to FRESH (treasury shares)	1,219
Shares related to CASHES held by BNP Paribas Fortis SA/NV (see note 28)	3,473
Shares entitled to voting rights and dividend	**180,197**

Currency translation reserve

The currency translation reserve is a separate component of shareholders' equity in which the exchange differences arising from translation of the results and financial positions of foreign operations that are included in the Ageas Consolidated Financial Statements are reported.

Ageas does not hedge net investments in operations that do not have euro as their functional currency unless the impact of potential foreign exchange movements is considered beyond Ageas's Risk Appetite.

Dividend capacity

Ageas and its subsidiaries, associates and joint ventures are subject to legal restrictions regarding the amount of dividend they may pay to their shareholders.

Under the Belgian Code of Companies and Associations, 5% of a company's annual net profit must be placed in a legal reserve fund until this fund reaches 10% of the share capital. No dividends may be paid if the value of the company's net assets falls below, or following payment of a dividend would fall below, the sum of its paid-up capital and non-distributable reserves.

Subsidiaries and associates or joint ventures are also subject to dividend restrictions arising from minimum capital and solvency requirements imposed by regulators in the countries in which they operate and from shareholders' agreements with the partners in the company. In certain situations consensus between the shareholders is required before dividend is declared.

In addition, shareholders' agreements may include:
- specific articles on voting rights or dividend distribution;
- lock-up periods during which all parties having shares are not allowed to sell shares before a certain period or without the prior approval of the other parties involved;
- options to sell or resell shares to the other party (parties) involved in the shareholders' agreement including the underlying calculation methodology to value the shares;
- earn-out mechanisms which allow the party originally selling the shares to additional revenues when certain objectives are realised;
- exclusivity clauses or non-competition clauses related to the sales of insurance products.

Proposed dividend for 2023

Given the continued strong capital position, the Board of Directors proposes for approval at the Annual Shareholders' Meeting, a final dividend of EUR 1.75 per share in addition to the EUR 1.50 interim dividend paid in October 2023. This brings the total dividend to EUR 3.25 per share, up by more than 8% compared to last year, representing an amount of EUR 585 million in dividend payment.

Return on equity

Ageas calculates return on equity by dividing the net operating result (refer to note 27 Information on operating segment, section Alternative performance measures) by the average shareholders' equity of the year.

	2023	2022
Return on equity	16.2%	17.3%

Earnings per share

The following table details the calculation of earnings per share.

	2023	2022
Net result attributable to shareholders	**953**	**1,097**
Weighted average number of ordinary shares for basic earnings per share (in thousands)	183,671	184,162
Adjustments for:		
- restricted shares (in thousands) expected to be awarded	150	159
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	**183,821**	**184,321**
Basic earnings per share (in euro per share)	5.19	5.96
Diluted earnings per share (in euro per share)	5.19	5.95

Treasury shares are excluded from the calculation of earnings per share as they are not entitled to dividend nor do they have voting rights.

Ageas shares issued in relation to CASHES are included in the ordinary shares although they are not entitled to dividend nor do they have voting rights.

17 Non-controlling interest

Non-controlling interest (NCI) represent the proportion of ownership interest held by a third party in the equity of subsidiaries.

The following table provides information about Ageas subsidiaries that have non-controlling interests (NCI).

2023	% of NCI	NCI as at 1 January	Allocated to NCI: Result	Allocated to NCI: Other comprehensive income	Allocated to NCI: Total comprehensive income	Dividends paid	Other	NCI as at 31 December
Subsidiary								
AG Insurance (Belgium)	25.0%	390	140	137	277	186	28	509
AG Real Estate (part of AG Insurance) mainly Interparking for 49% held by minority shareholders	25.0%	417	40	(17)	23	53	(19)	368
Ageas Federal Life Insurance (Asia)	26.0%	65	4	3	7	2		70
Millenniumbcp Ageas (Europe)	49.0%	88	38	18	56	(2)	(17)	129
Other		1	2	1	3	3		1
Total NCI		**961**	**224**	**142**	**366**	**242**	**(8)**	**1,077**

2022	% of NCI	NCI restated as at 1 January	Allocated to NCI: Result	Allocated to NCI: Other comprehensive income	Allocated to NCI: Total comprehensive income	Dividends paid	Other	NCI restated as at 31 December
Subsidiary								
AG Insurance (Belgium)	25.0%	574	81	(193)	(112)	83	11	390
AG Real Estate (part of AG Insurance) mainly Interparking for 49% held by minority shareholders	25.0%	353	76	47	123	52	(7)	417
Ageas Federal Life Insurance (Asia)	26.0%			(7)	(7)		72	65
Millenniumbcp Ageas (Europe)	49.0%	185	30	21	51	133	(15)	88
Other		1		(2)	(2)		2	1
Total NCI		**1,113**	**187**	**(134)**	**53**	**268**	**63**	**961**

AG Insurance granted to Parkimo, a minority shareholder of Interparking, an unconditional put option on its 10.05% ownership in interparking. The put option was measured at the fair value of the expected settlement amounting to EUR 119 million (2022: EUR 114 million). See note 14 Accrued interest and other liabilities.

Ageas's subsidiaries in which non-controlling interests are held

The details of the statement of financial position of AG Insurance are included in note 27 Information on operating segments. The details of the statement of financial position of Millenniumbcp Ageas in Portugal and Ageas Federal Life Insurance in India are shown below:

	31 December 2023			31 December 2022		
Financial information (100% interest)	Assets	Liabilities	Equity	Assets	Liabilities	Equity
Millenniumbcp Ageas	7,947	7,888	59	8,407	8,431	(25)
Ageas Federal Life Insurance	1,922	1,641	281	1,769	1,509	260

Notes to the consolidated income statement

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Insurance revenue

2023	Life	Non-Life	Total
Contracts not measured under the PAA			
Amounts relating to the changes in the liability for remaining coverage			
- Expected incurred claims and other insurance service expenses	802	65	867
- Change in risk adjustment for non-financial risk	32	2	34
- CSM recognised for services provided	386	6	392
- Experience adjustment related to premiums	(1)		(1)
Recovery of insurance acquisition cash flows	23	1	24
Total insurance revenue for contracts not measured under the PAA	1,242	74	1,316
Total insurance revenue for contracts measured under the PAA	237	4,884	5,121
Total insurance revenue	**1,479**	**4,958**	**6,437**

2022	Life	Non-Life	Total
Contracts not measured under the PAA			
Amounts relating to the changes in the liability for remaining coverage			
- Expected incurred claims and other insurance service expenses	738	61	799
- Change in risk adjustment for non-financial risk	23	3	26
- CSM recognised for services provided	364	6	370
- Experience adjustment related to premiums			
Recovery of insurance acquisition cash flows	17	1	18
Total insurance revenue for contracts not measured under the PAA	1,142	71	1,213
Total insurance revenue for contracts measured under the PAA	222	4,594	4,816
Total insurance revenue	**1,364**	**4,665**	**6,029**

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Insurance service expenses

2023	Life	Non-Life	Total
Contracts not measured under the PAA			
Incurred claims and other insurance service expense	(808)	(47)	(855)
Adjustments to liabilities for incurred claims	(7)	(20)	(27)
Losses and reversals of losses on onerous contracts	29	5	34
Amortisation of insurance acquisition cash flows	(23)	(1)	(24)
Net impairment loss on assets related to insurance acquisition cash flows			
Total insurance service expenses for contracts not measured under the PAA	**(809)**	**(63)**	**(872)**
Contracts measured under the PAA			
Incurred claims and other insurance service expense	(115)	(3,477)	(3,592)
Adjustments to liabilities for incurred claims	8	316	324
Losses and reversals of losses on onerous contracts			
Amortisation of insurance acquisition cash flows		(2)	(2)
Insurance acquisition cash flows immediately expensed	(25)	(909)	(934)
Net impairment loss on assets related to insurance acquisition cash flows			
Total insurance service expenses for contracts measured under the PAA	**(132)**	**(4,072)**	**(4,204)**
Total insurance service expenses	**(941)**	**(4,135)**	**(5,076)**

2022	Life	Non Life	Total
Contracts not measured under the PAA			
Incurred claims and other insurance service expense	(722)	(41)	(763)
Adjustments to liabilities for incurred claims	(9)	(19)	(28)
Losses and reversals of losses on onerous contracts	7	10	17
Amortisation of insurance acquisition cash flows	(17)	(1)	(18)
Net impairment loss on assets related to insurance acquisition cash flows			
Total insurance service expenses for contracts not measured under the PAA	**(741)**	**(51)**	**(792)**
Contracts measured under the PAA			
Incurred claims and other insurance service expense	(107)	(3,433)	(3,540)
Adjustments to liabilities for incurred claims	8	228	236
Losses and reversals of losses on onerous contracts		13	13
Amortisation of insurance acquisition cash flows		(2)	(2)
Insurance acquisition cash flows immediately expensed	(28)	(910)	(938)
Net impairment loss on assets related to insurance acquisition cash flows			
Total insurance service expenses for contracts measured under the PAA	**(127)**	**(4,104)**	**(4,231)**
Total insurance service expenses	**(868)**	**(4,155)**	**(5,023)**

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Net finance result

The following table analyses net finance result in OCI and profit or loss.

				2023				2022
	Life	Non-Life	General Account	Total	Life	Non-Life	General Account	Total
Investment return:								
Net investment income /(expense)	4,291	356	12	4,659	(806)	344	161	(301)
Change in fair value of financial investments recognised in OCI	2,407	287	(7)	2,687	(12,634)	(1,455)	54	(14,035)
Total investment return	**6,698**	**643**	**5**	**7,346**	**(13,440)**	**(1,111)**	**215**	**(14,336)**
Finance expenses from insurance contracts								
Change in fair value of underlying items of direct participating contracts	(525)			(525)	717			717
Interest accreted and changes in financial assumptions recognised in P&L	(1,884)	(120)		(2,004)	(496)	(76)		(572)
Effect of changes in interest rates and other financial assumptions recognised in OCI	(1,477)	(164)		(1,641)	11,308	1,019		12,327
Foreign exchange differences	62	(48)		14	159	132		291
Total finance expenses from insurance contracts	**(3,824)**	**(332)**		**(4,156)**	**11,688**	**1,075**		**12,763**
- *Recognised in profit or loss*	*(2,139)*	*(120)*		*(2,259)*	*(395)*	*(76)*		*(471)*
- *Recognised in OCI*	*(1,685)*	*(212)*		*(1,897)*	*12,083*	*1,151*		*13,234*
Finance income from reinsurance contracts held								
Interest accreted and changes in financial assumptions recognised in P&L		14		14	(1)	8		7
Effect of changes in interest rates and other financial assumptions recognised in OCI		25		25		(216)		(216)
Foreign exchange differences		7		7		(21)		(21)
Total finance income from reinsurance contracts held		**46**		**46**	**(1)**	**(229)**		**(230)**
- *Recognised in profit or loss*		*14*		*14*	*(1)*	*8*		*7*
- *Recognised in OCI*		*32*		*32*		*(237)*		*(237)*
Movement in investment contract liabilities	(1,088)			(1,088)	1,906			1,906
Total net finance result for subsidiaries before tax	**1,786**	**357**	**5**	**2,148**	**153**	**(265)**	**215**	**103**
- ***Recognised in profit or loss***	***1,064***	***250***	***12***	***1,326***	***704***	***276***	***161***	***1,141***
- ***Recognised in OCI***	***722***	***107***	***(7)***	***822***	***(551)***	***(541)***	***54***	***(1,038)***

The line 'Net investment income (expense)' includes 4 items:
- Interest, dividend and other investment income non-related to unit-linked investments';
- Net gain on derecognition and changes in fair value non-related to unit-linked investments;
- Investment income related to unit-linked investments;
- Net impairment loss on financial assets

Interest, dividend and other investment income non-related to unit-linked investments

	2023	2022
Interest income of financial assets mandatorily measured at FVTPL		
Cash and cash equivalents		
Debt securities	11	11
Loans	10	10
Derivatives	6	
Total interest income of financial assets mandatorily measured at FVTPL	**27**	**21**
Interest income of financial assets designated at FVTPL		
Debt securities	2	1
Total interest income of financial assets designated at FVTPL	**2**	**1**
Interest income of financial assets measured at FVOCI		
Debt securities	1,443	1,330
Loans	224	180
Total interest income of financial assets measured at FVOCI	**1,667**	**1,510**
Interest income of financial assets measured at amortised cost		
Cash and cash equivalents	35	5
Debt securities		
Loans	43	25
Other assets	2	11
Total interest income of financial assets measured at amortised cost	**80**	**41**
Total interest income	**1,776**	**1,573**
Dividend and other investment income		
Dividend income from equity investments mandatorily measured at FVTPL	61	85
Dividend income from debt securities measured at FVOCI	1	
Dividend income from equity investments measured at FVOCI		
- *Related to investments derecognised during the period*	*1*	*3*
- *Related to investments held at the end of the reporting period*	*88*	*69*
Rental income from investment property	207	203
Revenues of parking garages	513	455
Other investment income	166	89
Total dividend and other investment income	**1,037**	**904**
Total interest, dividend and other investment income non-related to unit-linked investments	**2,813**	**2,477**

Net gain on derecognition and changes in fair value non-related to unit-linked investments

	2023	2022
Financial instruments mandatorily measured at FVTPL	54	(204)
- Of which realised gains (losses) during the year	9	82
- Of which unrealised gains (losses) during the year	45	(286)
Financial instruments designated at FVTPL	7	(18)
Gains on derecognition of financial instruments measured at FVOCI, excluding equity investments	(28)	(17)
Gains on derecognition of financial instruments measured at amortised cost		
Net gain on derecognition and changes in fair value of financial instruments non-related to unit-linked investments	**33**	**(239)**
Gain on disposal of investment property	132	195
Gain (loss) on sale of shares of subsidiaries	(22)	
Gain on disposal of equity accounted investments	33	5
Gain on disposal of property and equipment	2	5
Hedging results	(2)	93
Other	(14)	100
Net gain on derecognition and changes in fair value to non-related to unit-linked investments	**162**	**159**

Hedging results relate to hedging reclassified from OCI to the income statement and to hedging ineffectiveness recognized in the income statement.

As described in the note 12, Ageas SA/NV acquired in the course of the fourth quarter of 2022 an aggregate principal amount of EUR 233,250,000 of FRESH securities, issued in 2002 by its subsidiary Ageasfinlux S.A. The acquisition resulted in the derecognition of the corresponding liability in the consolidated statement of financial position of Ageas group, generating a gain of EUR 146.3 million. This mainly included the combined effect of the gain on extinguishment of the liability and the gain on the result on the associated cash flow hedge (interest rate swap), reflected in both the lines ‘Other’ and ‘Hedging result’ in the table above.

Also included in the line “Other” is GBP 47.5 million (before tax) gain on the sale in 2022 of the commercial lines front book business in the UK.

The line ‘Gain on disposal of equity accounted investments’ in 2022 includes the gain from the step-up in AFLIC (see note 30 Acquisition and disposals of subsidiaries and equity accounted investments).

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Other income

	2023	2022
Proceeds of sale of property intended for sale	78	128
Recovery of staff and other expenses from third parties	47	32
Other income	193	112
Total other income	**318**	**272**

Other income includes proceeds from the sale of real estate development projects, income on rental activities, service companies and the re-billing of staff and other expenses to third parties.

The increase in Other income in 2023 is explained by the acquisitions of Anima (in 2022) and Touring in 2023.

22 Financing costs

	2023	2022
Financing costs of financial liabilities measured at FVTPL		
Derivatives	(1)	(3)
Total financing costs of financial liabilities measured at FVTPL	**(1)**	**(3)**
Financing costs of financial liabilities measured at amortised cost		
Subordinated liabilities	(92)	(87)
Due to banks	(114)	(27)
Lease liabilities	(22)	(18)
Other borrowings	(3)	(2)
Debt certificates		
Other liabilities	(43)	(16)
Total financing costs of financial liabilities measured at amortised cost	**(274)**	**(150)**
Total financing costs	**(275)**	**(153)**

23

Change in impairments

	2023	2022
Investment property	(37)	(4)
Investment in subsidiaries	23	(23)
Investment in equity accounted investments	(11)	(36)
Property and equipment	2	(2)
Goodwill and other intangible assets	(7)	(1)
Accrued interest and other assets	(5)	
Total change in impairments	**(35)**	**(66)**

24

Other operating expenses

	2023	2022
Net fee and commission	(14)	(96)
Staff expenses	(1,048)	(915)
Depreciation on tangible assets	(253)	(241)
Amortization of intangible assets	(46)	(43)
Other operating expenses:		
- Professional fees	(158)	(145)
- Marketing and public relation cost	(65)	(60)
- Information technology cost	(236)	(212)
- Maintenance and repair expenses	(28)	(26)
Lease and rental related expenses		
- Expenses relating to leases of low-values assets	(1)	
- Expenses relating to leases of short-term assets		
- Other rental expenses and related expenses	(15)	(13)
- Variable Lease Payments	(96)	(88)
- Operating and other direct expenses relating to investment property	(52)	(52)
- Operating and other direct expenses relating to property for own use	(81)	(66)
Cost of sale of property sold	(73)	(117)
Other	(328)	(245)
Amounts attributed to prepaid and renewal acquisition costs		
Operating expenses	**(2,494)**	**(2,319)**
Represented by:		
Allocated to insurance service expenses	(712)	(629)
Allocated to acquisition expenses	(376)	(453)
Non allocated costs	**(1,406)**	**(1,237)**

The line item ‘Operating and other direct expenses relating to investment property’ is partly offset by income accounts as reported in note 21 Other Income.

Net fee and commission

	2023	2022
Fee and commission Income		
Reinsurance commissions		
Insurance and investment fees	145	149
Assets management	19	30
Guarantees and commitment fees	1	1
Other Service fees	56	38
Total fee and commission income	**221**	**218**
Fee and commission expense		
Securities	(2)	(1)
Intermediaries	(194)	(263)
Asset management fees	(3)	(4)
Custodian fees	(6)	(3)
Other fee and commission expenses	(30)	(43)
Total fee and commission expense	**(235)**	**(314)**
Total net fee and commission	**(14)**	**(96)**

Staff expenses

The table below shows the details on staff expenses.

	2023	2022
Staff expenses		
Salaries and wages	(766)	(647)
Social security charges	(163)	(142)
Pension expenses relating to defined benefit pension plans	(38)	(50)
Defined contribution plan expenses	(9)	(10)
Share-based compensation	2	(3)
Other	(74)	(63)
Total staff expenses	**(1,048)**	**(915)**

The line item ‘Other’ includes mainly other short-term employee benefits.

Note 26 - section 1. Employee benefits contains further details of post-employment benefits and other long-term employee benefits, including pension costs related to defined benefit plans and defined contribution plans.

Depreciation of tangible assets and amortisation of intangible assets

	2023	2022
Depreciation on tangible assets		
Buildings held for own use and car parks	(117)	(106)
Leasehold improvements	(8)	(5)
Investment property	(90)	(95)
Equipment	(38)	(35)
Total depreciation on tangible assets	**(253)**	**(241)**
Amortisation of intangible assets		
Purchased software	(3)	(4)
Internally developed software	(12)	(8)
Other intangible assets	(31)	(31)
Total amortisation of intangible assets	**(46)**	**(43)**

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Income tax expense

	2023	2022
Current tax expenses for the current period	(183)	(191)
Adjustments recognised in the period for prior periods	5	5
Total current tax expense	**(178)**	**(186)**
Deferred tax arising from the current period	(64)	(13)
Impact of changes in tax rates on deferred taxes		(3)
Deferred tax arising from the write-down or (reversal) of a deferred tax asset		
Previously unrecognised tax losses, tax credits and temporary differences reducing deferred tax expense	(9)	(3)
Total deferred tax income (expense)	**(73)**	**(19)**
Total income tax income (expense)	**(251)**	**(205)**

Below is a reconciliation from expected to actual income tax expense. Given that Ageas SA/NV is domiciled in Belgium, the group tax rate is determined at the prevailing corporate income tax rate in Belgium.

	2023	2022
Result before taxation	1,428	1,489
Applicable group tax rate	25.00%	25.00%
Expected income tax expense	(357)	(372)
Reduction (increase) against local tax rates resulting from:		
Tax exempt income (including dividend and capital gains)	26	76
Share in net result of equity accounted investments and joint ventures	111	117
Disallowed items	(23)	(23)
Previously unrecognised tax losses and temporary differences		(2)
Write-down and reversal of write-down of deferred tax assets, including current year tax-losses deemed non-recoverable	(27)	
Impact of changes in tax rates on temporary differences		(3)
Foreign tax rate differential	(3)	(1)
Adjustments for current and deferred tax of previous years	5	6
Deferred tax on investments in subsidiaries, equity accounted investments	(6)	(4)
Local income taxes (state/city/cantonal/communal taxes)		
Other	23	1
Actual income tax income (expenses)	**(251)**	**(205)**

Employee Benefits

26

Remuneration and benefits

1. Employee benefits

This note covers post-employment benefits, other long-term employee benefits and termination benefits. Post-employment benefits are employee benefits, such as pensions and post-employment medical care, which are payable after the end of employment. Other long-term employee benefits are employee benefits that are not (fully) due within twelve months of the period in which the employees rendered the related service, including long-service awards and long-term disability benefits. Termination benefits are employee benefits payable as a result of the premature end of the employee's employment contract.

The table below shows an overview of all the employee benefits' liabilities (assets) at Ageas.

	2023	2022
Post-employment benefits - defined benefit plans - pensions	581	524
Other post-employment benefits	97	88
Other long-term employee benefits	18	14
Termination benefits	5	5
Total net defined benefits liabilities (assets)	**701**	**631**

Liabilities and related service cost are calculated according to the Projected Unit Credit Method. The objective of this method is to expense each participant's benefits as they would accrue taking into account future compensation increases and the plan's benefit allocation principles.

The defined benefit obligation is the net present value of the participant's attributed benefits measured at the reporting date. The current service cost is the net present value of the participant's benefits attributed to service during the year.

The pension cost includes net interest expense, calculated by applying the discount rate to the net pension liability. The discount rate is a high-quality corporate bond rate where there is an active market in such bonds, and a government bond rate in other markets.

Some assets might be restricted to their recoverable amount in the form of a reduction in future contributions or a cash refund (asset ceiling). Additionally, there might be recognition of a liability from a minimum funding requirement.

The recognition of actuarial gains and losses for post-employment benefits occurs in other comprehensive income, whereas those for other long-term employee benefits and termination benefits occur in the income statement.

1.1 Post-employment benefits

Defined benefit pension plans and other post-employment benefits

Ageas operates defined benefit pension plans covering the majority of its employees.

Under defined benefit pension plans, benefits are calculated based on years of service and level of salary. Pension obligations are determined on the basis of mortality tables, employee turnover, wage drift and economic assumptions such as inflation and discount rate. Discount rates are set per country or region on the basis of the yield (at closing date) of corporate AA bonds. These defined benefit plans expose the Group to actuarial risks, such as longevity, currency, interest rate and market risk.

In addition to pensions, post-employment benefits may also include other expenses such as reimbursement of part of health insurance premiums, which continue to be granted to employees after retirement.

Defined contribution plans

Ageas operates a number of defined contribution plans worldwide. The employer's commitment to a defined contribution plan is limited to the payment of contributions calculated in accordance with the plan's regulations. Employer contributions to defined contribution plans amounted to EUR 9 million in 2023 (2022: EUR 10 million) and are included in staff expenses (see note 24).

In Belgium, Ageas has defined contribution plans in accordance with the Law of 28 April 2003 regarding occupational pensions (WAP/LPC plans). These plans commit the employer to the payment of contributions as the plan's terms provide, and to guarantee a minimum return linked to Belgian government bonds yields, subject to a floor of 1.75% and a cap of 3.75%.

The law of 18 December 2015 to ensure the sustainability and social nature of occupational pensions, and to ensure the strengthening of the additional character relative to the retirement pensions, modifies the commitment of the employer to these plans. As of 1 January 2016, the interest rate guaranteed by the employer is equal to a percentage of the average return on the Belgian linear bonds with a term of 10 years over the 24 months preceding to 1 June. This rate will take effect on 1 January of the following year. This calculation results in a guaranteed interest rate of 1.75% on 1 January 2023 (1.75% on 1 January 2022).

Because of these minimum return guarantees, WAP/LPC plans do not meet, in a strict sense, the definition of defined contribution plans of IAS 19. Although IAS 19 does not address the accounting for hybrid plans, the law change as at 1 January 2016 facilitated accounting for those plans applying the Projected Unit Credit Method. Accordingly, Ageas has estimated the defined obligation liabilities as of 1 January 2016 under IAS 19.

The following table provides details of the amounts shown in the statement of financial position as at 31 December, regarding defined benefit pension obligations and other post-employment benefits.

	Defined benefit pension plans		Other post-employment benefits	
	2023	2022	2023	2022
Present value of funded obligations	220	190	2	
Present value of unfunded obligations	613	560	97	88
Defined benefit obligation	**833**	**750**	**99**	**88**
Fair value of plan assets	(264)	(238)	(2)	
	569	**512**	**97**	**88**
Unrecognised actuarial gains (losses)				
Unrecognised past service cost				
Asset ceiling / minimum funding requirement	9	10		
Other amounts recognised in the statement of financial position	3	2		
Net defined benefit liabilities (assets)	**581**	**524**	**97**	**88**
Amounts in the statement of financial position:				
Defined benefit liabilities	628	576	97	88
Defined benefit assets	(47)	(52)		
Net defined benefit liabilities (assets)	**581**	**524**	**97**	**88**

Defined benefit liabilities are classified under other liabilities (see note 14) and defined benefit assets are classified under other assets (see note 8).

As Ageas is a financial institution specialising in the management of employee benefits, some of its employees' pension plans are insured by Ageas insurance companies. Under IFRS, the assets backing these pension plans are non-qualifying and consequently may not be considered plan assets. For this reason, these plans are classified as 'unfunded'.

From an economic point of view, the net defined liability is offset by the non-qualifying plan assets that are held within Ageas (2023: EUR 562 million; 2022: EUR 543 million), resulting in a net liability (asset) of EUR 20 million in 2023 (2022: EUR (19) million) for defined benefit pension obligations.

The following table reflects the changes in net defined benefit liabilities (assets) as recognised in the statement of financial position.

	Defined benefit pension plans		Other post-employment benefits	
	2023	2022	2023	2022
Net defined benefit liabilities (assets) as at 1 January	**524**	**727**	**88**	**137**
Total defined benefit expense	57	56	5	4
Employer's contributions	(5)	(4)		
Participants' contributions paid to the employer	2	2		
Benefits directly paid by the employer	(36)	(48)	(3)	(3)
Foreign exchange differences		2		
Other	6	4	(1)	
Remeasurement	33	(215)	8	(50)
Net defined benefit liabilities (assets) as at 31 December	**581**	**524**	**97**	**88**

The table below shows the changes in the defined benefit obligation.

	Defined benefit pension plans		Other post-employment benefits	
	2023	2022	2023	2022
Defined benefit obligation as at 1 January	**750**	**1,079**	**88**	**137**
Current service cost	36	51	2	3
Interest cost	31	11	3	1
Remeasurement	32	(322)	8	(50)
Participants' contributions paid to the employer	2	2		
Benefits paid	(12)	(11)		
Benefits directly paid by the employer	(36)	(48)	(3)	(3)
Foreign exchange differences	3	(12)		
Other	27		1	
Defined benefit obligation as at 31 December	**833**	**750**	**99**	**88**

The following table shows the changes in the fair value of plan assets.

Defined benefit pension plans	2023	2022
Fair value of plan assets as at 1 January	**238**	**363**
Interest income	11	6
Remeasurement (return on plan assets, excluding effect of interest rate)	(2)	(107)
Employer's contributions	4	3
Benefits paid	(11)	(10)
Foreign exchange differences	3	(14)
Other	21	(3)
Fair value of plan assets as at 31 December	**264**	**238**

The following table shows the changes in the asset ceiling and/or minimum funding requirement.

	2023	2022
Asset ceiling / minimum funding requirement as at 1 January	**10**	**10**
Remeasurement	(1)	
Asset ceiling / minimum funding requirement as at 31 December	**9**	**10**

The asset ceiling relates to Ageas entities in Portugal.

The following table shows the components affecting the income statement that relate to the defined benefit pension plans and other post-employment benefits for the year ended 31 December.

	Defined benefit pension plans		Other post-employment benefits	
	2023	2022	2023	2022
Current service cost	36	51	2	3
Net interest cost	21	5	3	1
Total defined benefit expense	**57**	**56**	**5**	**4**

Net interest cost and other are included in financing costs (see note 22). All other items are included in other operating expenses (see note 24).

The following table shows the composition of remeasurements for the year ended 31 December.

	Defined benefit pension plans		Other post-employment benefits	
	2023	2022	2023	2022
Return on plan assets, excluding effect of interest rate	2	107		
Remeasurement on asset ceiling / minimum funding requirement	(1)			
Actuarial (gains) losses with regard to:				
change in demographic assumptions	(4)	(14)	1	5
change in financial assumptions	12	(308)	7	(53)
experience adjustments	24			(2)
Remeasurement on net defined liability (asset)	**33**	**(215)**	**8**	**(50)**

Remeasurement of the net defined benefit liability is recognised in other comprehensive income. Remeasurements of plan assets are mainly the difference between actual return on plan assets and expected discount rate. Remeasurements of defined benefit obligations reflect the change in actuarial assumptions (i.e. demographic and financial assumptions) and the experience adjustment.

Experience adjustments are actuarial gains and losses that arise because of differences between the actuarial assumptions made at the beginning of the year and actual experience during the year.

The following table reflects the weighted average duration of the defined benefit obligation in years.

2023	Defined benefit pension plans	Other post-employment benefits
Weighted average duration of defined benefit obligation	10.8	17.8

The following table shows the principal actuarial assumptions made for the eurozone countries.

	Defined benefit pension plans				Other post-employment benefits			
		2023		2022		2023		2022
	Low	High	Low	High	Low	High	Low	High
Discount rate	3.2%	3.4%	3.8%	4.1%	3.6%	3.7%	3.9%	4.0%
Future salary increases (price inflation included)	2.3%	4.6%	2.9%	5.9%				
Future pension increases (price inflation included)	2.1%	2.1%	2.2%	3.4%				
Medical cost trend rates					2.1%	4.1%	2.0%	4.1%

The discount rate for pensions is weighted by the net defined benefit liability (asset) on pensions. The largest pension schemes are in Belgium, with discount rates varying from 0.01% to 0.64%. The future salary increases varied in 2023 from 1.50% for the older employee group to 4.10% for the younger ones.

The following table shows the principal actuarial assumptions made for other countries.

Defined benefit pension plans	2023	2022
Discount rate	4.5%	4.8%

The eurozone represents 84% of Ageas's total defined benefit obligations. Other countries include only obligations in the United Kingdom. Post-employment benefits in countries outside the euro-zone and the United Kingdom are not regarded as significant.

A one percent change in the actuarial assumptions would have the following effect on the defined benefit obligation for defined benefit pension plans and other post-employment benefits.

	Defined benefit pension plans		Other post-employment benefits	
	2023	2022	2023	2022
Defined benefit obligation	833	750	99	88
Effect of changes in assumed discount rate:				
One-percent increase	(9.0%)	(11.0%)	(14.3%)	(16.8%)
One-percent decrease	10.5%	12.3%	17.7%	18.3%
Effect of changes in assumed future salary increase:				
One-percent increase	10.6%	12.8%		
One-percent decrease	(8.9%)	(10.6%)		
Effect of changes in assumed pension increase:				
One-percent increase	6.4%	8.4%		
One-percent decrease	(5.5%)	(7.3%)		

A one percent change in assumed medical cost trend rates would have the following effect on the defined benefit obligation for medical costs.

	Medical Care	
	2023	2022
Defined benefit obligation	97	88
Effect of changes in assumed medical costs and trend rates:		
One-percent increase	16.6%	20.3%
One-percent decrease	(13.1%)	(15.9%)

The asset mix of the plan assets for pension obligations is as follows.

	31 December 2023	%	31 December 2022	%
Equity securities	10	3.8%	33	13.9%
Debt securities	162	61.4%	151	63.3%
Investment contracts	47	17.8%	24	10.1%
Real estate	22	8.3%	24	10.1%
Cash and cash equivalents	20	7.6%	3	1.3%
Convertible bonds				
Other	3	1.1%	3	1.3%
Total	**264**	**100.0%**	**238**	**100.0%**

The plan assets comprise predominantly fixed income securities, followed by equity securities, real estate (funds) and investment contracts with insurance companies. Ageas's internal investment policy stipulates that investment in derivatives and emerging markets for the purpose of funding pension plans is to be avoided. The amount in 'Other' relates to two diversified funds in the United Kingdom.

The mix of the unqualified assets for pension obligations is as follows.

	31 December 2023	%	31 December 2022	%
Equity securities	43	7.7%	40	7.4%
Debt securities	446	79.4%	430	79.2%
Insurance contracts				
Real estate	52	9.3%	55	10.1%
Convertible bonds	14	2.5%	14	2.6%
Cash and cash equivalents	7	1.2%	4	0.7%
Total	**562**	**100.0%**	**543**	**100.0%**

Ageas gradually adjusts its asset allocation policy to ensure a close match between the duration of assets and that of pension liabilities.

The employer's contributions expected to be paid into post-employment benefit plans for the year ending 31 December 2023 are as follows.

	Defined benefit pension plans
Expected contribution next year to plan assets	1
Expected contribution next year to unqualified plan assets	32

1.2 Other long-term employee benefits

Other long-term employee benefits include long-service awards. The table below shows net liabilities. The liabilities related to other long-term employee benefits are included in the statement of financial position under other liabilities (see note 14).

	2023	2022
Defined benefit obligation	18	14
Net defined benefit liabilities (assets)	**18**	**14**

The following table shows the changes in liabilities for other long-term employee benefits during the year.

	2023	2022
Net liability as at 1 January	14	17
Total expense	3	(2)
Benefits directly paid by the employer	(1)	(1)
Other	2	
Net liability as at 31 December	18	14

The table below provides the range of actuarial assumptions applied when calculating the liabilities for other long-term employee benefits.

	2023		2022	
	Low	High	Low	High
Discount rate	2.60%	4.60%	3.17%	3.82%
Future salary increases	2.40%	4.60%	3.00%	5.90%

Expenses related to other long-term employee benefits are shown below. Interest cost is included in financing costs (see note 22), all other expenses are included in staff expenses (see note 24).

	2023	2022
Current service cost	1	1
Interest cost	1	
Expected return on plan assets		
Net actuarial losses (gains) recognised immediately	1	(3)
Past service costs recognised immediately		
Losses (gains) of curtailments or settlements		
Total expense	**3**	**(2)**

1.3 Termination benefits

Termination benefits are employee benefits payable as a result of either an enterprise's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept voluntary redundancy in exchange for those benefits.

The table below shows liabilities related to termination benefits included in the statement of financial position under other liabilities (see note 14).

	2023	2022
Defined benefit obligation	5	5
Net defined benefit liabilities (assets)	**5**	**5**

The following table shows the changes in liabilities for termination benefits during the year.

	2023	2022
Net liability as at 1 January	**5**	**5**
Total expense	1	1
Benefits directly paid by the employer	(1)	(1)
Foreign exchange differences		
Acquisitions and divestments of subsidiaries		
Transfer		
Net liability as at 31 December	**5**	**5**

Expenses related to termination benefits are shown below. Interest cost is included in financing costs (see note 22). All other expenses are included in staff expenses (see note 24).

	2023	2022
Current service cost	1	1
Total expense	**1**	**1**

2. Employee share and share-linked incentive plans

Ageas's remuneration package for its employees and Executive Committee and Management Committee Members may include share-related instruments.

These benefits can take the form of:
- Restricted shares;
- Share-linked incentives.

2.1 Restricted shares

The members of the Executive and Management Committee benefit from a Long-term incentive plan (LTI). This plan consists of the granting of performance shares which vest 3.5 years after grant. The vesting after 3.5 years is subject to a relative total shareholder return (TSR) performance measurement as compared to a peer group. After vesting, the shares will have to be held for an additional 1.5 years (5 years in total as of date of grant). After this blocking period, the beneficiaries may sell the vested shares under certain conditions in line with the Remuneration Policy. You find more details on the plan in the Report of the Remuneration Committee section A .06;7.

For 2019 a total of 51,393 performance shares were committed to be granted, for 2020 a total of 53,269 shares were committed to be granted and for 2021 a total of 53,918 performance shares were committed to be granted. For performance year 2022, a total of 42.530 performance shares were committed to be granted to the Executive and Management Committee Members.

In collaboration with Willis towers Watson, a new LTI-plan was discussed with the Remuneration Committee and validated by the Board of Directors to be submitted to the General Shareholders' Meeting of 15 May 2024. The grant will be performed according to these new plan rules subject to the approval of General Shareholders' Meeting.

The table below shows the changes in commitments of restricted shares during the year for ExCo and Mco Members.

(number of shares in '000)	2024	2023
Number of shares newly granted	-	
Number of restricted shares committed to be granted as at 1 March	**150**	**201**
Restricted shares (cancelled)		51
Restricted shares vested		
Number of restricted shares committed to be granted as at 31 December		**150**

2.2 Share-linked incentives

In 2021, 2022 and 2023 Ageas launched a share-linked incentive plan for its senior management. Depending on the relative performance of the Ageas share in relation to a peer group over a period of the three years following the launch of each of the plans and the condition of continued employment, the senior managers will be awarded a cash payment equal to a value:

- between 0 and the value of 141,400 Ageas shares on 1 April 2024 (plan 2021).
- between 0 and the value of 151.200 Ageas shares on 1 April 2025 (plan 2022);
- between 0 and the value of 131.750 Ageas shares on 1 April 2026 (plan 2023);

The liability of these cash-settled transactions is determined at fair value at each reporting date.

Information on operating segments

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Information on operating segments

General information

Operating segments
Ageas is organised in five operating segments:
- Belgium;
- Europe (excluding Belgium)
- Asia;
- Reinsurance; and
- General Account.

Ageas has determined that the most appropriate way of reporting operating segments under IFRS is per region in which Ageas operates, i.e. Belgium, Europe (excluding Belgium), Asia and Reinsurance. In addition, Ageas reports activities that are not related to the core insurance business, such as Group financing and other holding activities, in the General Account, which is treated as a separate operating segment.

This segment approach is consistent with the scopes of management responsibilities.

Transactions between the different businesses are executed under standard commercial terms and conditions.

Allocation rules
In accordance with Ageas's business model, insurance companies report support activities directly in their operating segments.

When allocating items from the statement of financial position to operating segments, a bottom-up approach is used based on the products sold to external customers.

For the items in the statement of financial position not related to products sold to customers, a tailor-made methodology adapted to the specific business model of each reportable segment is applied.

Belgium

The Belgian insurance activities, operating under the name of AG Insurance, have a longstanding history. AG Insurance is also 100% owner of AG Real Estate, which manages AG's real estate activities, including Interparking (parking business) and Anima (a large player in nursing homes, service flats and recovery accommodations). In 2023, together with BNPPF, AG acquired full ownership of the strong Touring brand (AG's share 75%), unlocking new opportunities in dynamic sectors like mobility and travel.

AG Insurance targets private individuals as well as small, medium-sized and large companies. It offers its customers a comprehensive range of Life and Non-life insurance through various channels such as independent brokers and via the bank channels of BNP Paribas Fortis SA/NV and its subsidiaries. AG Employee Benefits is the dedicated business unit offering group pension and health care solutions, mainly to larger enterprises.

Europe (excluding Belgium)

Europe consists of the insurance activities of Ageas in Europe, excluding Belgium. Ageas is active in Portugal, UK, France (until September 2023) and Türkiye. The product range includes Life (in Portugal, France and Türkiye) and Non-life (in Portugal, UK and Türkiye). Access to markets is facilitated by a number of key partnerships with companies having a sizeable position in their respective markets.

Ageas's UK business is one of the established general insurers in the UK, adopting a multi-channel distribution strategy across brokers, affinity partners and direct distribution. The vision is to profitably grow in the UK general insurance market through the delivery of a wide range of insurance solutions, focusing on personal lines.

In Portugal, Médis, Ageas Seguros and Millenniumbcp Ageas hold leading positions in the local insurance market and their products can be seen as a reference in the Portuguese market. Ageas Portugal provides a wide range of products and services and distributes these through a multitude of channels: bancassurance, agents, brokers, partners and its direct channel. Its offerings include personal and commercial lines, and all lines of business, including life, non-life, health and pension funds.

In Türkiye, Ageas operates Life and Non-Life insurance businesses. AgeSa, a joint venture with long standing partner Sabanci Holding has become the 2nd largest life insurance and private pension provider in Türkiye. As one of the most important players in the Turkish Non-Life insurance market, another joint venture with the same group, Aksigorta, focuses on the provision of clear, simple and accessible insurance products and services through its “Next Generation Insurance” approach.

Asia

Ageas is active in a number of countries in Asia. It has a regional office based in Hong Kong. The activities are organised in the form of joint ventures with leading local partners and financial institutions in China, Malaysia, Thailand, India, The Philippines and Vietnam. These activities are accounted for as equity associates under IFRS, except for India Life (AFLIC) which is fully consolidated since 2022.

Reinsurance

The reinsurance activities of Ageas SA/NV are reported in the Reinsurance Segment. These activities comprise intra-group inward reinsurance and reinsurance of third parties.

General Account

The General Account comprises activities not related to the core insurance business, such as Group financing and other holding activities. In addition, General Account also includes the investment in Royal Park Investments and the liability related to RPN(I).

Statement of financial position by operating segment

31 December 2023	Belgium	Europe	Asia	Reinsurance	General Account	Group Eliminations	Total
Assets							
Cash and cash equivalents	929	308	82	131	425		1,875
Financial investments	64,870	10,587	1,750	1,655	1,492	(813)	79,541
Investment property	2,714	261					2,975
Insurance contract assets		21					21
Reinsurance contract assets	801	1,283		37		(1,468)	653
Equity-accounted investments	361	205	3,891		3	(1)	4,459
Property and equipment	2,180	185	16	1	29		2,411
Goodwill and other intangible assets	735	731	14				1,480
Deferred tax assets	801	100					901
Accrued interest and other assets	1,632	677	78	35	196	(241)	2,377
Assets held for sale							
Total assets	**75,023**	**14,358**	**5,831**	**1,859**	**2,145**	**(2,523)**	**96,693**
Liabilities							
Repurchase agreements	2,560						2,560
Investment contract liabilities	9,773	4,340				(1)	14,112
Insurance contract liabilities	55,108	7,357	1,557	1,519		(1,487)	64,054
Borrowings	1,678	10	1	1	16	(39)	1,667
Subordinated liabilities	1,145	258			1,889	(772)	2,520
RPN(I)					398		398
Deferred tax liabilities	314	48	25		25		412
Accrued interest and other liabilities	1,875	350	67	148	188	(222)	2,406
Provisions	36	29					65
Liabilities related to assets held for sale							
Total liabilities	**72,489**	**12,392**	**1,650**	**1,668**	**2,516**	**(2,521)**	**88,194**
Equity							
Shareholders' equity	1,664	1,836	4,111	191	(371)	(9)	7,422
Non-controlling interests	870	130	70			7	1,077
Total equity	**2,534**	**1,966**	**4,181**	**191**	**(371)**	**(2)**	**8,499**
Total liabilities and equity	**75,023**	**14,358**	**5,831**	**1,859**	**2,145**	**(2,523)**	**96,693**
Number of employees	**8,081**	**3,434**	**3,122**	**4**	**196**		**14,837**

31 December 2022	Belgium	Europe	Asia	Reinsurance	General Account	Group Eliminations	Total
Assets							
Cash and cash equivalents	592	288	71	66	159		1,176
Financial investments	61,840	10,871	1,607	1,405	1,630	(864)	76,489
Investment property	2,684	346					3,030
Insurance contract assets		18		3		(3)	18
Reinsurance contract assets	683	1,329		48		(1,383)	677
Equity-accounted investments	446	193	4,041		1	(1)	4,680
Property and equipment	2,081	104	16		26		2,227
Goodwill and other intangible assets	724	680	12				1,416
Deferred tax assets	962	212					1,174
Accrued interest and other assets	1,573	589	81	42	222	(314)	2,193
Assets held for sale		4,212					4,212
Total assets	**71,585**	**18,842**	**5,828**	**1,564**	**2,038**	**(2,565)**	**97,292**
Liabilities							
Repurchase agreements	2,135						2,135
Investment contract liabilities	9,099	4,281				(2)	13,378
Insurance contract liabilities	53,350	7,764	1,446	1,411		(1,399)	62,572
Reinsurance contract liabilities		2				(2)	
Borrowings	1,598	14	2		17	(39)	1,592
Subordinated liabilities	1,144	255			1,887	(769)	2,517
RPN(I)					334		334
Deferred tax liabilities	335	38	22		22		417
Accrued interest and other liabilities	1,650	387	51	222	269	(297)	2,282
Provisions	39	32			1		72
Liabilities related to assets held for sale		4,112				(55)	4,057
Total liabilities	**69,350**	**16,885**	**1,521**	**1,633**	**2,530**	**(2,563)**	**89,356**
Equity							
Shareholders' equity	1,438	1,866	4,242	(69)	(492)	(10)	6,975
Non-controlling interests	797	91	65			8	961
Total equity	**2,235**	**1,957**	**4,307**	**(69)**	**(492)**	**(2)**	**7,936**
Total liabilities and equity	**71,585**	**18,842**	**5,828**	**1,564**	**2,038**	**(2,565)**	**97,292**
Number of employees	**7,369**	**3,429**	**2,249**		**185**		**13,232**

Income statement by operating segment

2023	Belgium	Europe	Asia	Reinsurance	General Account	Group Eliminations	Total
Insurance revenue	3,725	2,526	118	713		(645)	6,437
Insurance service expenses	(2,856)	(2,039)	(113)	(525)		457	(5,076)
Net result from reinsurance contracts held	(143)	(202)		(88)		187	(246)
Insurance service result	**726**	**285**	**5**	**100**		**(1)**	**1,115**
Interest, dividend and other investment income non-related to unit-linked investments	2,445	210	96	34	74	(46)	2,813
Net gain on derecognition and changes in fair value non-related to unit-linked investments	173	(18)	2	3	(2)	4	162
Investment income related to unit-linked investments	1,205	395	111				1,711
Net impairment loss on financial assets	(23)	(3)		(1)			(27)
Net investment income	**3,800**	**584**	**209**	**36**	**72**	**(42)**	**4,659**
Finance expenses from insurance contracts	(1,823)	(239)	(195)	(26)		24	(2,259)
Finance income from reinsurance contracts	12	24		1		(23)	14
Movement in investment contract liabilities	(760)	(328)					(1,088)
Net finance result	**1,229**	**41**	**14**	**11**	**72**	**(41)**	**1,326**
Net insurance and finance result	**1,955**	**326**	**19**	**111**	**72**	**(42)**	**2,441**
Other income	280	53	1	2	14	(32)	318
Financing costs	(210)	(25)		(1)	(84)	45	(275)
Change in impairments	(62)	28				(1)	(35)
Change in provisions	6	3			1		10
Unrealised gain (loss) on RPN(I)					(64)		(64)
Other operating expenses	(1,111)	(171)	(34)	(9)	(113)	32	(1,406)
Share in the results of equity-accounted investments	(15)	(16)	469		1		439
Total other income and expenses	**(1,112)**	**(128)**	**436**	**(8)**	**(245)**	**44**	**(1,013)**
Result before taxation	**843**	**198**	**455**	**103**	**(173)**	**2**	**1,428**
Income tax expense	(184)	(54)	(2)		(11)		(251)
Net result for the period	**659**	**144**	**453**	**103**	**(184)**	**2**	**1,177**
Net result attributable to non-controlling interests	181	39	4				224
Net result attributable to shareholders	**478**	**105**	**449**	**103**	**(184)**	**2**	**953**

2022	Belgium	Europe	Asia	Reinsurance	General Account	Group Eliminations	Total
Insurance revenue	3,414	2,566		618		(569)	6,029
Insurance service expenses	(2,749)	(2,227)		(582)		535	(5,023)
Net result from reinsurance contracts held	(30)	(83)		(43)		36	(120)
Insurance service result	**635**	**256**		**(7)**		**2**	**886**
Interest, dividend and other investment income non-related to unit-linked investments	2,241	208		23	45	(40)	2,477
Net gain on derecognition and changes in fair value non-related to unit-linked investments	(1)	(3)	6	(1)	155	3	159
Investment income related to unit-linked investments	(2,238)	(697)					(2,935)
Net impairment loss on financial assets		(2)					(2)
Net investment income	**2**	**(494)**	**6**	**22**	**200**	**(37)**	**(301)**
Finance expenses from insurance contracts	(489)	17		(9)		10	(471)
Finance income from reinsurance contracts	4	12		(1)		(8)	7
Movement in investment contract liabilities	1,368	540				(2)	1,906
Net finance result	**885**	**75**	**6**	**12**	**200**	**(37)**	**1,141**
Net insurance and finance result	**1,520**	**331**	**6**	**5**	**200**	**(35)**	**2,027**
Other income	237	46			13	(24)	272
Financing costs	(100)	(19)		(1)	(69)	36	(153)
Change in impairments	(7)	(30)	(29)				(66)
Change in provisions	1	(7)			4	1	(1)
Unrealised gain (loss) on RPN(I)					139		139
Other operating expenses	(952)	(164)	(29)	(5)	(110)	23	(1,237)
Share in the results of equity-accounted investments	17	(27)	518				508
Total other income and expenses	**(804)**	**(201)**	**460**	**(6)**	**(23)**	**36**	**(538)**
Result before taxation	**716**	**130**	**466**	**(1)**	**177**	**1**	**1,489**
Income tax expense	(147)	(37)			(21)		(205)
Net result for the period	**569**	**93**	**466**	**(1)**	**156**	**1**	**1,284**
Net result attributable to non-controlling interests	157	30					187
Net result attributable to shareholders	**412**	**63**	**466**	**(1)**	**156**	**1**	**1,097**

Statement of financial position split into Life and Non-life

31 December 2023	Life	Non-Life	General Account	Group Eliminations	Total
Assets					
Cash and cash equivalents	924	526	425		1,875
Financial investments	70,600	8,306	1,492	(857)	79,541
Investment property	2,749	226			2,975
Insurance contract assets	7	14			21
Reinsurance contract assets	11	642			653
Equity-accounted investments	3,667	790	3	(1)	4,459
Property and equipment	2,150	232	29		2,411
Goodwill and other intangible assets	1,086	394			1,480
Deferred tax assets	615	286			901
Accrued interest and other assets	1,583	878	196	(280)	2,377
Assets held for sale					
Total assets	**83,392**	**12,294**	**2,145**	**(1,138)**	**96,693**
Liabilities					
Repurchase agreements	2,396	164			2,560
Investment contract liabilities	14,113			(1)	14,112
Insurance contract liabilities	56,589	7,485		(20)	64,054
Borrowings	1,522	168	16	(39)	1,667
Subordinated liabilities	977	471	1,889	(817)	2,520
RPN(I)			398		398
Deferred tax liabilities	289	98	25		412
Accrued interest and other liabilities	1,780	749	188	(311)	2,406
Provisions	29	36			65
Liabilities related to assets held for sale					
Total liabilities	**77,695**	**9,171**	**2,516**	**(1,188)**	**88,194**
Equity					
Total Shareholders' equity	5,061	2,682	(371)	50	7,422
Non-controlling interests	636	441			1,077
Total equity	**5,697**	**3,123**	**(371)**	**50**	**8,499**
Total liabilities and equity	**83,392**	**12,294**	**2,145**	**(1,138)**	**96,693**
Number of employees	**8,053**	**6,588**	**196**		**14,837**

31 December 2022	Life	Non-Life	General Account	Group Eliminations	Total
Assets					
Cash and cash equivalents	693	324	159		1,176
Financial investments	68,424	7,340	1,630	(905)	76,489
Investment property	2,807	223			3,030
Insurance contract assets	5	13			18
Reinsurance contract assets	7	670			677
Equity-accounted investments	3,931	749	1	(1)	4,680
Property and equipment	2,027	174	26		2,227
Goodwill and other intangible assets	1,085	331			1,416
Deferred tax assets	867	307			1,174
Accrued interest and other assets	1,559	911	222	(499)	2,193
Assets held for sale	4,211			1	4,212
Total assets	**85,616**	**11,042**	**2,038**	**(1,404)**	**97,292**
Liabilities					
Repurchase agreements	2,018	117			2,135
Investment contract liabilities	13,380			(2)	13,378
Insurance contract liabilities	55,466	7,122		(16)	62,572
Borrowings	1,462	153	17	(40)	1,592
Subordinated liabilities	1,052	388	1,887	(810)	2,517
RPN(I)			334		334
Deferred tax liabilities	309	86	22		417
Accrued interest and other liabilities	1,809	694	269	(490)	2,282
Provisions	33	36	1	2	72
Liabilities related to assets held for sale	4,112			(55)	4,057
Total liabilities	**79,641**	**8,596**	**2,530**	**(1,411)**	**89,356**
Equity					
Total Shareholders' equity	5,476	1,990	(492)	1	6,975
Non-controlling interests	499	456		6	961
Total equity	**5,975**	**2,446**	**(492)**	**7**	**7,936**
Total liabilities and equity	**85,616**	**11,042**	**2,038**	**(1,404)**	**97,292**
Number of employees	**7,149**	**5,898**	**185**		**13,232**

Income statement split into Life and Non-life

2023	Life	Non-Life	General Account	Group Eliminations	Total
Insurance revenue	1,480	4,958		(1)	6,437
Insurance service expenses	(941)	(4,136)		1	(5,076)
Net result from reinsurance contracts held	(2)	(244)			(246)
Insurance service result	**537**	**578**			**1,115**
Interest, dividend and other investment income non-related to unit-linked investments	2,441	348	74	(50)	2,813
Net gain on derecognition and changes in fair value non-related to unit-linked investments	166	10	(2)	(12)	162
Investment income related to unit-linked investments	1,711				1,711
Net impairment loss on financial assets	(23)	(4)			(27)
Net investment income	**4,295**	**354**	**72**	**(62)**	**4,659**
Finance expenses from insurance contracts	(2,140)	(120)		1	(2,259)
Finance income from reinsurance contracts		14			14
Movement in investment contract liabilities	(1,088)				(1,088)
Net finance result	**1,067**	**248**	**72**	**(61)**	**1,326**
Net insurance and finance result	**1,604**	**826**	**72**	**(61)**	**2,441**
Other income	180	156	14	(32)	318
Financing costs	(183)	(56)	(84)	48	(275)
Change in impairments	(34)	9		(10)	(35)
Change in provisions	5	4	1		10
Unrealised gain (loss) on RPN(I)			(64)		(64)
Other operating expenses	(875)	(451)	(113)	33	(1,406)
Share in the results of equity-accounted investments	397	41	1		439
Total other income and expenses	**(510)**	**(297)**	**(245)**	**39**	**(1,013)**
Result before taxation	**1,094**	**529**	**(173)**	**(22)**	**1,428**
Income tax expense	(156)	(84)	(11)		(251)
Net result for the period	**938**	**445**	**(184)**	**(22)**	**1,177**
Net result attributable to non-controlling interests	166	58			224
Net result attributable to shareholders	**772**	**387**	**(184)**	**(22)**	**953**

2022	Life	Non-Life	General Account	Group Eliminations	Total
Insurance revenue	1,362	4,665		2	6,029
Insurance service expenses	(869)	(4,156)		2	(5,023)
Net result from reinsurance contracts held		(118)		(2)	(120)
Insurance service result	**493**	**391**		**2**	**886**
Interest, dividend and other investment income non-related to unit-linked investments	2,216	257	45	(41)	2,477
Net gain on derecognition and changes in fair value non-related to unit-linked investments	(82)	84	155	2	159
Investment income related to unit-linked investments	(2,935)				(2,935)
Net impairment loss on financial assets	(2)				(2)
Net investment income	**(803)**	**341**	**200**	**(39)**	**(301)**
Finance expenses from insurance contracts	(396)	(76)		1	(471)
Finance income from reinsurance contracts	(1)	8			7
Movement in investment contract liabilities	1,906				1,906
Net finance result	**706**	**273**	**200**	**(38)**	**1,141**
Net insurance and finance result	**1,199**	**664**	**200**	**(36)**	**2,027**
Other income	210	74	13	(25)	272
Financing costs	(97)	(25)	(69)	38	(153)
Change in impairments	(33)	(36)		3	(66)
Change in provisions		(5)	4		(1)
Unrealised gain (loss) on RPN(I)			139		139
Other operating expenses	(827)	(324)	(110)	24	(1,237)
Share in the results of equity-accounted investments	513	(5)			508
Total other income and expenses	**(234)**	**(321)**	**(23)**	**40**	**(538)**
Result before taxation	**965**	**343**	**177**	**4**	**1,489**
Income tax expense	(105)	(79)	(21)		(205)
Net result for the period	**860**	**264**	**156**	**4**	**1,284**
Net result attributable to non-controlling interests	130	57			187
Net result attributable to shareholders	**730**	**207**	**156**	**4**	**1,097**

Alternative performance measures

To evaluate & report performance and shareholder equity by business (Life, Non-Life), by segment and for Ageas as a whole, Ageas primarily uses the following alternative measures: operating insurance & investment result, net operating result, Life margin, combined ratio, inflow and comprehensive equity. These measures are reported at Ageas' interest in the consolidated entities and equity accounted investments.

Operating insurance & investment result

The operating insurance & investment result is a pre-tax performance measure. It is the sum of:

1. Insurance service result as determined under IFRS 17;
2. Non-directly attributable expenses;
3. Insurance related other income & expenses; and
4. Investment result on assets backing investment and insurance contract liabilities (net of reinsurance) as defined below.

The sum of line items 1. to 3. is referred to as 'operating insurance service result'.

Net operating result

Net operating result is used to evaluate performance and is considered a proxy of the cash generated. Net operating result is an after-tax performance measure and it is the sum of:

1. Operating insurance & investment result
2. Non-insurance related other income & expenses;
3. Investment result on surplus assets; and
4. Income taxes on the items above.

The investment result (on the assets backing investment and insurance contract liabilities (net of reinsurance) and on surplus assets) is the net finance result (determined under IFRS 9, IFRS 17 and other IFRS standards as applicable) of the consolidated entities, associates and joint ventures (all at Ageas' interest therein):

1. Including realised capital gains/losses on equity instruments held at FVOCI (other than backing insurance contracts measured under the VFA approach). The effect of this item is reported in the row 'Realised gains/losses on FVOCI equities' in the tables below.
2. Excluding changes in fair value on financial instruments measured at FVTPL backing surplus assets or backing insurance contracts measured under the BBA and PAA approaches for which the option to disaggregate insurance finance income or expense was selected.
3. Excluding gains or losses from stage 1 & stage 2 expected credit losses.
4. Including the effect of elimination of income statement volatility resulting from accounting mismatches for selected insurance portfolios. The accounting mismatch arises for example when covering assets are measured at amortised cost whereas insurance contract liabilities are measured at FVTPL. In that case, the elimination restates covering assets to FVOCI and insurance contract liabilities using the disaggregation approach which is the preferred measurement model of Ageas for portfolios not measured under the VFA approach.
5. Excluding the impact of applying IAS 29 Financial Reporting in Hyperinflationary Economies and any consequential impairment impacts under IAS 36.

The combined effect of items 2.-4. is reported in the row 'Unrealised gains/losses on FVTPL' in the tables below. Item 5. is reported in the row 'Other adjustments'. Items 3., 4. and 5. were not adjusted in the net operating results as reported in the Half-year 2023 Interim Financial Statements. With these changes, net operating result gives a more reliable and more relevant information on the cash generated and the underlying performance of Ageas as non-cash items and accounting volatility are stripped.

The reconciliation between the net operating result and the net result of the period attributable to shareholders consists of unrealised gain/losses on RPN(I) and the reversal of the items 1.-5. above and associated tax impacts. These reconciling items are all after non-controlling interests or at the Ageas' share for associates and joint ventures. The reconciliation to the net result attributable to shareholders by segment and for Ageas as a whole is shown in the tables below.

Within its insurance operating segments, Ageas manages its Life and Non-life businesses separately. Life business includes insurance contracts covering risks related to the life and death of individuals. Life business also includes direct participating insurance contracts and investment contracts with and without discretionary participation features. Non-life comprises four lines of business: Accident & Health, Motor, Fire & other damage to property, and Other (including reinsurance). To determine net operating result Life and Non-Life, allocations are made where no direct allocation is possible.

Life margin and combined ratio

While Ageas uses the net operating result Life and Non-Life to measure the absolute amount of profit generated, it uses the life margin as a relative measure of the profitability of its Life business and the combined ratio as a relative measure for the underwriting profitability of its Non-Life business. The definitions are as follows:

Life margin: the annualised operating insurance service result and investment result of the period divided by the average Life insurance and investment contract liabilities of the period, excluding unrealised gains/losses thereon.
Combined ratio: this is total of (Non-Life) expenses, claims incurred and reinsurance result as a percentage of (Non-Life) insurance revenues. The lower the ratio, the better the profitability. The combined ratio is the sum of the expense ratio, the claims ratio and the reinsurance ratio as follows:

- expense ratio: the expenses as a percentage of insurance revenues. The expenses include directly attributable and (an allocation of) non-directly attributable expenses;
- claims ratio: the cost of gross claims incurred as a percentage of insurance revenues;
- reinsurance ratio: the net reinsurance result as a percentage of insurance revenues. For purposes of calculating the reinsurance ratio, the net reinsurance result of the segments excludes their net result on intra-group LPT & quota share reinsurance programmes (referred to as ‘capital management’).

The combined ratio does not capture the relative contribution from the investment result.

Inflow

Inflow is a measure of the business written during a particular period. Inflows comprise both gross written premiums from insurance contracts and inflows from investment contracts. Inflow is reported at Ageas’ interest. Inflow is different from insurance revenue as the latter is a reflection of the consideration for the insurance services of the period.

Comprehensive equity

Comprehensive equity is shareholders’ equity plus (Ageas’ interest in) non-recognized unrealised gains or losses (after-tax) on real estate (investment property, car parks and other real estate related intangibles) measured at amortised cost (unless they are part of the underlying items for insurance contracts measured under the VFA approach) plus (Ageas’ interest in) the after-tax CSM of life insurance contracts of subsidiaries and equity accounted investments.

Non-Life intra-group quota-share programs

The alternative performance measures for the different segments and lines of business are shown below. In these tables, the amounts of “gross inflow Non-Life” and “insurance revenue – Non-Life” reported in the segment Reinsurance exclude inward reinsurance gross inflow and insurance revenue pertaining to the intra-group Non-Life LPT & quota-share programs (referred to as ‘capital management’). The operating insurance & investment results of the non-life business lines in the segments Belgium, Europe and Reinsurance include their respective results of the capital management programs. In the column ‘Total’, these intra-group results are eliminated from the results of the affected lines of business.

2023	Belgium	Europe	Asia	Reinsurance	General Account	Total
Gross inflow - Life	3,078	821	7,263			11,162
Gross inflow - Non-life	1,994	2,800	901	261		5,956
Insurance revenue - Life	834	181	2,143			3,158
Insurance revenue - Non-life	1,959	2,495	812	221		5,487
Operating insurance & investment result - Life	**389**	**62**	**486**			**937**
- *Life Guaranteed*	*346*	*57*	*486*			*889*
- *Life Unit linked*	*43*	*5*				*48*
Operating insurance & investment result - Non-life	**202**	**132**	**50**	**95**		**479**
- *Accident & Health*	*79*	*46*	*(1)*			*145*
- *Motor*	*24*	*75*				*105*
- *Fire & other damage to property*	*67*	*(23)*	*8*			*69*
- *Other*	*32*	*34*	*43*	*95*		*160*
Net operating result - Life	331	60	502	1		894
Net operating result - Non-life	163	84	42	100		389
Net operating result - General Account					(117)	(117)
Net operating result	**494**	**144**	**544**	**101**	**(117)**	**1,166**
Unrealised gains/(losses) on RPN(I)					(64)	(64)
Unrealised gains/(losses) on FVTPL	23	1	(104)	2	(1)	(79)
Realised gains/(losses) on FVOCI equities	(36)	(5)	(20)			(61)
Other adjustments		(36)				(36)
Tax	(3)	1	29			27
Net result attributable to shareholders	**478**	**105**	**449**	**103**	**(182)**	**953**
Key performance indicators Life						
Life margin - Guaranteed products	1.00%	2.04%	1.44%			1.24%
Life margin - Unit linked products	0.43%	0.20%				0.39%
Key performance indicators Non-life						
Claims ratio	50.0%	63.1%	55.8%	38.4%		56.3%
Expense ratio	36.4%	27.8%	25.9%	5.8%		29.7%
Reinsurance ratio	3.1%	5.0%	15.5%	39.9%		7.3%
Combined ratio (Net/Gross)	89.4%	95.9%	97.2%	84.1%		93.3%

31 December 2023	Belgium	Europe	Asia	Reinsurance	General Account	Total
Equity indicators						
Shareholders' equity	1,664	1,836	4,111	191	(380)	7,422
Plus/(minus): unrealised gains/(losses) on real estate at amortised cost	1,031	38	120		1	1,190
Plus: CSM after taxation	2,001	74	4,936		(3)	7,008
Comprehensive shareholders' equity	**4,696**	**1,948**	**9,167**	**191**	**(382)**	**15,620**

2022	Belgium	Europe	Asia	Reinsurance	General Account	Total
Gross inflow Life	3,155	976	7,203			11,334
Gross inflow Non-life	1,802	2,402	919	179		5,302
Insurance revenue - Life	794	207	2,298			3,299
Insurance revenue - Non-life	1,767	2,439	866	130		5,202
Operating insurance & investment result - Life	**409**	**67**	**546**			**1,022**
- *Life Guaranteed*	*368*	*61*	*546*			*975*
- *Life Unit linked*	*41*	*6*				*47*
Operating insurance & investment result - Non-life	**197**	**71**	**33**	**(1)**		**300**
- *Accident & Health*	*45*	*37*	*10*			*118*
- *Motor*	*52*	*48*	*(17)*			*59*
- *Fire & other damage to property*	*75*	*(19)*	*9*			*53*
- *Other*	*25*	*5*	*31*	*(1)*		*70*
Net operating result - Life	355	28	676			1,059
Net operating result - Non-life	160	87	(8)	(3)		236
Net operating result - General Account					17	17
Net operating result	**515**	**115**	**668**	**(3)**	**17**	**1,312**
Unrealised gains/(losses) on RPN(I)					139	139
Unrealised gains/(losses) on FVTPL	(125)	(37)	(262)	2	1	(421)
Realised gains/(losses) on FVOCI equities	(22)	12	(13)			(23)
Other adjustments		(33)	6			(27)
Tax	44	6	67			117
Net result attributable to shareholders	**412**	**63**	**466**	**(1)**	**157**	**1,097**
Key performance indicators Life						
Life margin - Guaranteed products	1.06%	1.93%	1.67%			1.42%
Life margin - Unit linked products	0.40%	0.26%				0.37%
Key performance indicators Non-life						
Claims ratio	56.0%	65.7%	58.6%	62.8%		61.2%
Expense ratio	35.1%	30.4%	30.2%	6.9%		31.4%
Reinsurance ratio	(0.9%)	5.5%	12.3%	33.7%		5.2%
Combined ratio (Net/Gross)	90.3%	101.6%	101.2%	103.4%		97.7%

31 December 2022	Belgium	Europe	Asia	Reinsurance	General Account	Total
Equity indicators						
Shareholders' equity	1,438	1,866	4,242	(69)	(502)	6,975
Plus/(minus): unrealised gains/(losses) on real estate at amortised cost	1,140	40	146			1,326
Plus: CSM after taxation	1,845	74	5,453		(3)	7,369
Comprehensive shareholders' equity	**4,423**	**1,980**	**9,841**	**(69)**	**(505)**	**15,670**

The adjustments from Net result to Net operating result are explained in the section ‘Net operating result’.

The net operating result in the table above agrees to the Excel tables available on Ageas’ web site, which includes the restatement of item 5 (IAS29 adjustment).

The impact of items 3 and 4, amounts to EUR (7) million, have not been restated for the year 2022.

Additional information

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Contingent liabilities

1. Contingent liabilities related to legal proceedings

Ageas group is involved as a defendant in various claims, disputes and legal proceedings arising in the ordinary course of its business.

In addition, as a result of the events and developments surrounding the former Fortis group between May 2007 and October 2008 (e.g. the acquisition of parts of ABN AMRO and the capital increase in September/October 2007, the announcement of the solvency plan in June 2008, the divestment of banking activities and Dutch insurance activities in September/October 2008), Ageas became involved in various legal proceedings.

Ageas entered into a EUR 1.3 billion settlement agreement with several claimant organisations that represented a series of shareholders in collective claims relating to the Fortis events before the Belgian and Dutch courts. The Fortis settlement was declared binding on 13 July 2018 by the Amsterdam Appeal Court in accordance with the Dutch Act on Collective Settlement of Mass Claims (Wet Collectieve Afwikkeling Massaschade). The administration of the more than 300,000 claims filed in the Fortis settlement is completely over since 2023 and the Fortis settlement has been fully finalised. The remaining provision for the Fortis settlement (EUR 1.3 million as at 31 December 2022 and EUR 0.9 million as at 30 June 2023) was released at the end of the third quarter of 2023 and Ageas booked a payable of EUR 1.2 million for outstanding amounts payable resulting from rejected payments.

Residual proceedings relating to the Fortis events

The parties which supported the Fortis settlement committed to terminate their legal proceedings.

The parties which timely submitted an opt-out notice in the Fortis settlement may resume their legal proceedings in the Netherlands or, as the case may be, resume or continue their legal proceedings in Belgium.

The sections below provide a comprehensive update of all residual proceedings relating to the Fortis events which were either terminated in 2023 or not terminated by 31 December 2023. These constitute contingent liabilities without provisions.

1.1 In the Netherlands

On 14 July 2020, Dutch investment company Cebulon initiated legal proceedings against Ageas and some co-defendants regarding alleged misleading communication in 2007-2008. In its capacity of former Fortis shareholder, Cebulon claims a compensation for the allegedly suffered damages. Parties filed written submissions and a hearing was held on 11 December 2023 before the Utrecht court of first instance. On 24 January 2024 Ageas received a favourable judgment which dismissed the claim initiated by Cebulon in its entirety.

1.2 In Belgium

Modrikamen

On 28 January 2009, a series of (former) Fortis shareholders represented by Mr Modrikamen brought an action before the Brussels Enterprise (former Commercial) Court initially requesting the annulment of the sale of ASR to the Dutch State and the sale of Fortis Bank to SFPI (and subsequently to BNP Paribas), or alternatively damages. On 7 June 2020, Ageas entered into a settlement agreement with Mr Modrikamen and his clients who timely filed an opt-out notice in the Fortis settlement, pursuant to which these persons no longer continue these proceedings against Ageas. Mr Modrikamen's clients now only continue these proceedings against FPIM/SFPI and BNP Paribas. The hearings on the merits of these proceedings are expected to be held in the second half of 2024 (exact dates are not yet officially confirmed by the court).

Deminor

On 13 January 2010, a series of (former) Fortis shareholders associated with Deminor International (currently under the name DRS Belgium) brought an action before the Brussels Enterprise (former Commercial) Court, seeking damages based on alleged lack of/or misleading information by Fortis during the period from March 2007 to October 2008. On 12 December 2017, Deminor supported and endorsed the final Fortis settlement. The parties are in the course of terminating these legal proceedings. The court already confirmed several rounds of requested withdrawals of actions of certain claimants respectively in 2021 and 2023.

Other claims on behalf of individual shareholders

On 12 September 2012, Patripart, a (former) Fortis shareholder, and its parent company Patrinvest, brought an action before the Brussels Commercial Court, seeking damages based on alleged lack of or misleading information in the context of the 2007 rights issue. On 1 February 2016 the court fully rejected the claim. On 16 March 2016, Patrinvest filed an appeal before the Brussels Appeal Court. The parties have exchanged written submissions and are now awaiting hearing dates to be set by the Court (likely in the second half of 2024).

On 29 April 2013, a series of (former) Fortis shareholders represented by Mr Arnauts brought an action before the Brussels Enterprise (former Commercial) Court, seeking damages based on alleged incomplete or misleading information by the former Fortis group in 2007 and 2008. On 18 May 2016, Ageas reached an agreement with Mr. Arnauts to support and endorse the Fortis settlement. The parties are in the course of terminating these proceedings.

On 19 September 2013, certain (former) Fortis shareholders represented by Mr Lenssens initiated a similar action before the Brussels Civil Court. On 27 June 2016, Ageas reached an agreement with Mr. Lenssens to support and endorse the Fortis settlement. The parties are in the course of terminating these proceedings.

1.3 Hold harmless undertakings

In 2008, Fortis granted certain former executives and directors, at the time of their departure, a contractual hold harmless protection covering legal expenses and, in certain cases, also the financial consequences of any judicial decisions should legal proceedings be brought against them on the basis of their mandates exercised within the Fortis group. Ageas contests the validity of the contractual hold harmless commitments to the extent they relate to the financial consequences of any judicial decisions.

Furthermore, and as standard market practice in this kind of operations, Ageas entered into agreements with certain financial institutions facilitating the placing of Fortis shares in the context of the capital increases of 2007 and 2008. These agreements contain indemnification clauses that imply hold harmless obligations for Ageas subject to certain terms and conditions. Some of these financial institutions are involved in certain legal proceedings mentioned in this chapter.

In the context of a settlement with the underwriters of D&O liability insurance and Public Offering of Securities Insurance policies relating to the events and developments surrounding the former Fortis group in 2007 - 2008, Ageas granted a hold harmless undertaking in favour of the insurers for the aggregate amount of coverage under the policies concerned. In addition, Ageas granted certain indemnity and hold harmless undertakings in favour of certain former Fortis executives and directors and of BNP Paribas Fortis relating to future defence costs, as well as in favour of the directors of the two Dutch foundations created in the context of the Fortis settlement.

2. Contingent liabilities for hybrid instruments of former subsidiaries

In 2007 BNP Paribas Fortis SA/NV issued CASHES (Convertible And Subordinated Hybrid Equity-linked Securities), with Ageas SA/NV acting as co-obligor (BNP Paribas Fortis SA/NV was at that point in time a subsidiary). From the original 12,000 securities issued, 3,326 securities remain outstanding, representing an aggregate principal amount of EUR 831.5 million.

The securities have no maturity date and cannot be repaid in cash, they can only be exchanged into Ageas shares at a price of EUR 239.40 per Ageas share. A mandatory exchange takes place if the price of the Ageas share is equal to or higher than EUR 359.10 on twenty consecutive stock exchange business days. BNP Paribas Fortis SA/NV owns 3,473,271 Ageas shares for the purpose of the potential exchange of the CASHES.

The sole recourse of the holders of the CASHES against any of the co-obligors with respect to the principal amount are the Ageas shares that BNP Paribas Fortis SA/NV holds, these shares are pledged in favour of such holders.

BNP Paribas Fortis SA/NV pays the coupon on the CASHES, in quarterly arrears, at a variable rate of Euribor plus 200 basis points, up to the exchange of the securities for Ageas shares. In the event that Ageas declares no dividend on its shares, or that the dividends to be declared are below a threshold with respect to any financial year (dividend yield less than 0.5%), and in certain other circumstances, coupons will mandatorily need to be settled by Ageas SA/NV via issuance of new shares in accordance with the so called Alternative Coupon Settlement Method (ACSM), while BNP Paribas Fortis SA/NV would need to issue instruments that qualify as hybrid Tier 1 instruments to Ageas as compensation for the coupons paid by Ageas SA/NV. If the ACSM is triggered and there is insufficient available authorised capital to enable Ageas SA/NV to meet the ACSM obligation, the coupon settlement will be postponed until such time as the ability to issue shares is restored.

In an agreement reached in 2012, that amongst others led to a tender and subsequent exchange of CASHES, Ageas agreed to pay an annual indemnity to BNP Paribas Fortis SA/NV that equals the dividend on the shares that BNP Paribas Fortis SA/NV holds.

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Legal structure

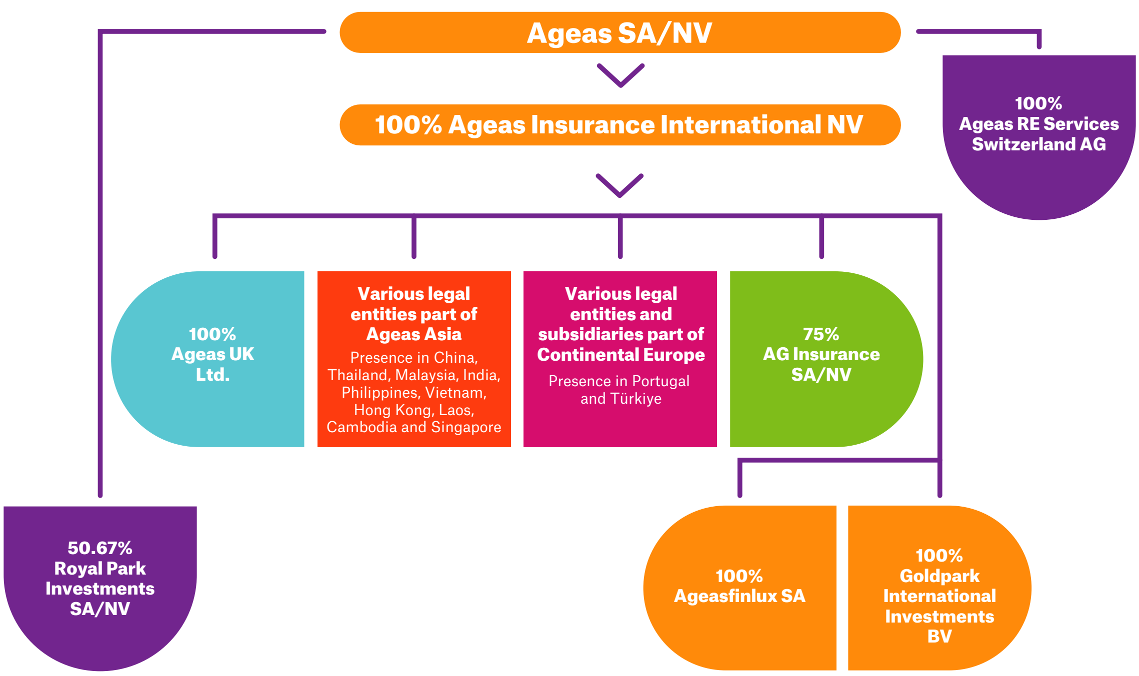
Ageas SA/NV, incorporated in Belgium with its registered office at Manhattan Center Brussels, Avenue du Boulevard / Bolwerklaan 21, 1210 Brussels, Belgium, is the parent company of the Ageas group. This Annual Report includes the Consolidated Financial Statements of the Ageas group and the Financial Statements of Ageas SA/NV. Ageas group carries out life, non-life insurance and reinsurance business in Europe and Asia.

Ageas shares are listed on the regulated market of Euronext Brussels. Ageas has a sponsored ADR programme in the United States.

Known shareholders of Ageas SA/NV, based on the official notifications, as at 31 December 2023 are:

- Fosun 10.01%;
- BlackRock, Inc 6.59%;
- FPIM-SFPI .... 6.33%.

Ageas SA/NV and its subsidiaries hold 2.30% of its own shares. This interest is related to the FRESH (see note 16 Shareholders' equity and note 12 Subordinated liabilities), restricted share programmes and the share buy-back programmes (see note 16 Shareholders' equity).



Fully consolidated entities of Ageas in Europe are in UK, Ageas UK Ltd. (100%) and in Portugal, Millenniumbcp Ageas (51%), Médis (100%), Ageas Portugal Vida (100%) and Ageas Portugal Seguros (100%). The full list of undertakings in the scope of the Group is published in the 'Group Public Disclosure QRTs' which can be found on the website: https://www.ageas.com/investors/financial-results

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Acquisitions and disposals of subsidiaries and equity accounted investments

The following significant acquisitions and disposals were made in 2023 and 2022. Details of acquisitions and disposals, if any, which took place after the date of the statement of financial position, are included in note 36 Events after the date of the statement of financial position.

Disposals in 2023

Ageas France (Europe)

In the last quarter of 2022, Ageas SA/NV decided to engage in a process to dispose of its activities in France. On 21 April 2023, Ageas signed an agreement with La Mutuelle Epargne Retraite Prévoyance Carac regarding the sale. This disposal met the criteria of IFRS 5 to be classified as held for sale. The assets and liabilities at 31 December 2022 related to Ageas France (and its subsidiaries) were classified as a disposal group and were shown as “Assets held for sale” (mainly Financial investments) and “Liabilities related to assets held for sale” (mainly insurance liabilities) in the consolidated statement of financial position. The disposal group was reported in the segment ‘Europe’.

The transaction was finalised in the third quarter of 2023, resulting in a net result of EUR (1) million.

AG Insurance (Belgium)

In the first half of 2023, AG Insurance sold its interests in the equity associate Eurocommercial Properties Belgium for a total consideration of EUR 70 million, resulting in a capital gain of EUR 15 million.

Acquisitions in 2022

Additional interest in AFLIC (Asia)

On 20 May 2022, Ageas signed an agreement to increase its interest in the joint venture Ageas Federal Life Insurance Company Ltd (AFLIC) from 49% to 74% for a cash consideration of INR 5.8 billion. This transaction was closed on 19 September 2022. Under IFRS, this transaction is considered a step acquisition, hence the previously held interest of 49% was treated as if it had been disposed of resulting in a non-cash capital gain of EUR 6 million.

AFLIC was fully consolidated by Ageas group as from the last quarter of 2022.

Real estate companies (Europe)

Two real estate companies were jointly acquired by several group entities in Portugal. Campolide XXI was acquired at the end of 2021 for an amount of EUR 30 million and SPPP in the first quarter of 2022 for EUR 82 million.

These companies are fully consolidated by Ageas group as per 31 December 2022.

AG Insurance (Belgium)

In July 2022, AG Insurance acquired 100% of the shares of Anima Group (5th largest Belgian nursing home operator) for an amount of EUR 335 million. This acquisition is considered a business combination under IFRS 3. No goodwill was recognised in the opening balance.

Assets and liabilities of acquisitions and disposals

The table below summarises the assets and liabilities resulting from the acquisition or disposal of subsidiaries and/or associates at the date of acquisition or disposal.

		2023		2022
	Acquisitions	Disposals	Acquisitions	Disposals
Assets and liabilities of acquisitions and disposals				
Cash and cash equivalents	16	(64)	77	
Financial investments	17	(4,052)	1,786	
Investment property	13	(59)	95	
Reinsurance contract assets		(4)		
Equity-accounted investments (including capital repayments)	63	(80)	44	(136)
Property and equipment	31	(2)	433	
Goodwill and other intangible assets	23	(20)	179	
Current and deferred tax assets		(11)	24	
Other assets	30	(11)	109	
Insurance contract liabilities	30	(4,027)	1,605	
Borrowings	9	(1)	150	
Provisions		(2)		
Current and deferred tax liabilities	5		139	
Other liabilities	42	(74)	71	
Non-controlling interests			71	
Net assets acquired / Net assets disposed of	**107**	**(199)**	**711**	**(136)**
Result of disposal, gross (including recycling of OCI and related costs)		11		5
Result on discontinued operations, net of taxes (including recycling of OCI and related costs)		11		5
Cash used for acquisitions / received from disposals:				
Total purchase consideration / Proceeds from sale	(107)	244	(711)	141
Less: Cash and cash equivalents acquired / divested	16	(64)	77	
Less: Non-cash movement			141	(141)
Cash used for acquisitions / received from disposals	**(91)**	**180**	**(493)**	

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Commitments

Commitments received and given are detailed as follows.

Commitments	31 December 2023	31 December 2022
Commitment Received		
Credit lines	1,468	1,527
Collateral and guarantees received	5,121	4,574
Other off-balance sheet rights and commitments	23	21
Total received	**6,612**	**6,122**
Commitment Given		
Guarantees, Financial and Performance Letters of Credit	107	170
Available credit lines	410	523
Collateral and guarantees given	2,809	2,287
Entrusted assets and receivables	756	691
Capital rights & commitments	326	399
Real Estate commitments	239	345
Other off-balance sheet commitments	706	776
Total given	**5,353**	**5,191**

The collateral and guarantees received relate mainly to residential mortgages and to a lesser extent on policyholder loans and commercial loans.

Other off-balance sheet commitments as at 31 December 2023 include EUR 185 million in outstanding credit bids (31 December 2022: EUR 250 million).

Collateral and guarantees given are mainly related to the repurchase agreements.

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Related parties

The law of 28 April 2020 implementing Directive 2017/828 of the European Parliament and the Council (the Second Shareholder Rights Directive or SRD II) introduced a new regime for related party transactions, which is applicable to all the members of the Ageas group and entered into force on 16 May 2020. Among other elements, this new regime entails a reinforced obligation for Ageas to report on the application of the related party transactions procedure, both immediately upon occurrence of the transaction as well as in the annual report for the relevant financial year.

Parties related to Ageas include associates and joint ventures, pension funds, Board Members (i.e. Non-Executive and Executive Members of the Ageas Board of Directors), executive managers, close family members of any individual referred to above, entities controlled or significantly influenced by any individual referred to above and other related entities. Ageas frequently enters into transactions with related parties in the course of its business operations. Such transactions mainly concern loans, deposits and reinsurance contracts and are entered into under the same commercial and market terms that apply to non-related parties.

Ageas companies may grant credits, loans or guarantees in the normal course of business to Board Members and executive managers or to close family members of the Board Members or close family members of executive managers.

As at 31 December 2023, no outstanding or new loans, credits or bank guarantees had been granted to Board Members and executive managers or to close family members of the Board members and close family members of executive managers. Hence, during financial year 2023, no transactions took place within the Ageas group which triggered the application of the procedure.

Related party transactions

Transactions and outstanding balances between fully consolidated entities of Ageas group are eliminated. The tables below show the outstanding balances with associates and joint ventures as related parties.

	2023	2022
Income statement - related parties		
Insurance revenue	38	27
Insurance service expense	(38)	(16)
Interest, dividend and other investment income not related to unit-linked investments	26	17
Net gain on derecognition and changes in fair value non-related to unit-linked investments	18	
Finance expenses from insurance contracts	(3)	
Other income	8	9
Other operating expenses	(33)	(28)

	2023	2022
Statement of financial position - related parties		
Financial investments	526	485
Investment property	34	57
Insurance contract assets		50
Other assets	62	12
Insurance contract liabilities	42	62
Borrowings	3	2
Other liabilities		9

The changes in Loans to related parties during the year ended 31 December are as follows.

	2023	2022
Related party loans as at 1 January	**484**	**479**
Additions or advances	85	21
Repayments	(39)	(16)
Foreign exchange differences and other	(39)	
Related party loans as at 31 December	**491**	**484**

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Audit fees

The audit fees can be broken down into the following components:

- audit fees, which include fees for auditing the statutory, consolidated financial statements and the review of the interim financial statements;
- audit-related fees, which include fees for work performed on prospectuses, non-standard auditing and advisory services not related to statutory
- auditing;
- fees for tax advice;
- other non-audit fees, which include fees for support and advice.

	2023		2022	
	Ageas Statutory Auditors	Other Ageas Auditors	Ageas Statutory Auditors	Other Ageas Auditors
Audit fees	4	3	4	3
Audit-related fees	1		1	
Tax fees				
Other non-audit fees				
Total	**5**	**3**	**5**	**3**

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Fair value of financial assets and financial liabilities

The fair value (FV) calculation of financial instruments not actively traded on financial markets can be summarised as follows.

Instrument Type	Ageas Products	Fair Value Calculation
Instruments with no stated maturity	Current accounts, saving accounts	Nominal value.
Instruments without optional features	Straight loans, deposits etc.	Discounted cash flow methodology; discounting yield curve is the swap curve plus spread (assets) or the swap curve minus spread (liabilities); spread is based on commercial margin computed based on the average of new production during last three months.
Instruments with optional features	Mortgage loans and other instruments with option features	Product is split and linear (non-optional) component is valued using a discounted cash flow methodology and option component valued based on option pricing model.
Subordinated bonds or receivables	Subordinated assets	Valuation is based on broker quotes in an in-active market (level 3).
Private equity	Private equity and non-quoted participations investments	In general based on the European Venture Capital Association's valuation guidelines, using enterprise value/EBITDA, price/cash flow and price/earnings etc.
Preference shares (non-quoted)	Preference shares	If the share is characterised as a debt instrument, a discounted cash flow model is used.

Ageas pursues a policy aimed at quantifying and monitoring pricing uncertainties related to the calculation of fair values using valuation techniques and internal models. Related uncertainties are a feature of the 'model risk' concept.

Model risk arises when the product pricing requires valuation techniques which are not yet standardised or for which input data cannot be directly observed in the market, leading to assumptions about the input data themselves.

The introduction of new, sophisticated products in the market has resulted in the development of mathematical models to price them. These models in turn depend on assumptions regarding the stochastic behaviour of underlying variables, numerical algorithms and other possible approximations needed to replicate the complexity of the financial instruments.

Furthermore, the underlying hypotheses of a model depend on the general market conditions (e.g. specific interest rates, volatilities) prevailing at the time the model is developed. There is no guarantee that the model will continue to yield adequate results should market conditions change drastically.

Any related model uncertainty is quantified as accurately as possible and is the basis for adjusting the fair value calculated by the valuation techniques and internal models.

Fair value hierarchy

The valuation of financial instruments is based on:

- Level 1: quoted prices in active markets;
- Level 2: observable market data in active markets;
- Level 3: non-observable inputs (counterparty quotes).

Derivatives held for trading are based on level 2 valuation (observable inputs from active markets).

Fair value of financial assets and liabilities

	Fair value				Carrying
31 December 2023	Level 1	Level 2	Level 3	Total	value
Financial assets measured at FVTPL					
Cash and cash equivalents		271		271	271
Debt securities	118	1,279	580	1,977	1,977
Equity investments	12		142	154	154
Loans		52	181	233	233
Derivatives		113		113	113
Investment contract covering assets	6,378	12,037	38	18,453	18,453
Other investments		75	32	107	107
Receivables					
Total financial assets measured at FVTPL	**6,508**	**13,827**	**973**	**21,308**	**21,308**
Financial assets measured at FVOCI					
Debt securities	39,742	3,845	3,061	46,648	46,648
Equity investments	2,798		245	3,043	3,043
Loans		5,303	1,907	7,210	7,210
Total financial assets measured at FVOCI	**42,540**	**9,148**	**5,213**	**56,901**	**56,901**
Financial assets measured at amortised cost					
Cash and cash equivalents	1,432	172		1,604	1,604
Debt securities	51	21		72	70
Loans	596	31	820	1,447	1,533
Receivables	164	743	9	916	916
Total financial assets measured at amortised cost	**2,243**	**967**	**829**	**4,039**	**4,123**
Total financial assets	**51,291**	**23,942**	**7,015**	**82,248**	**82,332**
Financial liabilities measured at FVTPL					
Borrowings					
Subordinated liabilities					
Investment contract liabilities	4,304	8,665	5	12,974	12,974
Derivative liabilities		18		18	18
Total financial liabilities measured at FVTPL	**4,304**	**8,683**	**5**	**12,992**	**12,992**
Financial liabilities measured at amortised cost					
Repurchase agreements		2,693		2,693	2,560
Borrowings, excluding lease liabilities	47	58	922	1,027	1,011
Subordinated liabilities		2,283		2,283	2,520
Investment contract liabilities		871		871	1,138
Total financial liabilities measured at amortised cost	**47**	**5,905**	**922**	**6,874**	**7,229**
Total financial liabilities	**4,351**	**14,588**	**927**	**19,866**	**20,221**

31 December 2022	Fair value Level 1	Level 2	Level 3	Total	Carrying value
Financial assets measured at FVTPL					
Cash and cash equivalents		23		23	23
Debt securities	113	1,253	488	1,854	1,854
Equity investments	20		100	120	120
Loans		21	167	188	188
Derivatives		232		232	232
Investment contract covering assets	5,974	11,423	262	17,659	17,659
Other investments		80	36	116	116
Receivables		1		1	1
Total financial assets measured at FVTPL	**6,107**	**13,033**	**1,053**	**20,193**	**20,193**
Financial assets measured at FVOCI					
Debt securities	38,752	3,684	2,759	45,195	45,195
Equity investments	2,377	19	72	2,468	2,468
Loans		5,200	1,886	7,086	7,086
Total financial assets measured at FVOCI	**41,129**	**8,903**	**4,717**	**54,749**	**54,749**
Financial assets measured at amortised cost					
Cash and cash equivalents	997	156		1,153	1,153
Debt securities	52	23		75	75
Loans	571	96	805	1,472	1,496
Receivables	11	733	2	746	746
Total financial assets measured at amortised cost	**1,631**	**1,008**	**807**	**3,446**	**3,470**
Total financial assets	**48,867**	**22,944**	**6,577**	**78,388**	**78,412**
Financial liabilities measured at FVTPL					
Borrowings					
Subordinated liabilities					
Investment contract liabilities		12,297		12,297	12,297
Derivative liabilities		4		4	4
Total financial liabilities measured at FVTPL		**12,301**		**12,301**	**12,301**
Financial liabilities measured at amortised cost					
Repurchase agreements		2,130		2,130	2,135
Borrowings, excluding lease liabilities	62	24	858	944	962
Subordinated liabilities		2,156		2,156	2,517
Investment contract liabilities		826		826	1,081
Total financial liabilities measured at amortised cost	**62**	**5,136**	**858**	**6,056**	**6,695**
Total financial liabilities	**62**	**17,437**	**858**	**18,357**	**18,996**

Changes in level 3 valuation

Level 3 valuations for private equities and venture capital use fair values disclosed in the audited financial statements of the relevant participations. Level 3 valuations for equities and asset-backed securities use a discounted cash flow methodology. Expected cash flows take into account original underwriting criteria, borrower attributes (such as age and credit scores), loan-to-value ratios, expected house price movements and expected prepayment rates etc. Expected cash flows are discounted at risk-adjusted rates. Market participants often use such discounted cash flow techniques to price private equities and venture capital. We rely also on these quotes to a certain extent when valuing these instruments. These techniques are subject to inherent limitations, such as estimation of the appropriate risk-adjusted discount rate, and different assumptions and inputs would yield different results.

The level 3 positions are mainly sensitive to a change in the level of expected future cash flows and, accordingly, their fair values vary in proportion to changes of these cash flows. Quantitative unobservable inputs used when measuring fair value are not developed by the entity.

	Financial assets measured at				Financial liabilities measured at		
2023	FVTPL mandatory	FVTPL designated	FVOCI	Total	FVTPL mandatory	FVTPL designated	Total
Balance as at 1 January	**791**	**262**	**4,717**	**5,770**			
Acquisitions and divestments of subsidiaries			2	2			
Maturity/redemption or repayment	(51)	(230)	(335)	(616)			
Acquisition	158	6	769	933			
Proceeds from sales	(12)		(8)	(20)			
Realised and unrealised gains (losses) recognised in profit or loss	14		(1)	13		5	5
Realised and unrealised gains (losses) recognised in equity			71	71			
Transfers between valuation categories			(2)	(2)			
Foreign exchange differences and other adjustments	35			35			
Balance as at 31 December	**935**	**38**	**5,213**	**6,186**		**5**	**5**

	Financial assets measured at				Financial liabilities measured at		
2022	FVTPL mandatory	FVTPL designated	FVOCI	Total	FVTPL mandatory	FVTPL designated	Total
Balance as at 1 January	**485**	**262**	**5,595**	**6,342**			
Transfer to Held for Sale			(385)	(385)			
Acquisitions and divestments of subsidiaries			2	2			
Maturity/redemption or repayment	(34)	(3)	(400)	(437)			
Acquisition	322	3	796	1,121			
Proceeds from sales	(50)		(61)	(111)			
Realised and unrealised gains (losses) recognised in profit or loss	29		2	31			
Realised and unrealised gains (losses) recognised in equity			(905)	(905)			
Transfers between valuation categories			48	48			
Foreign exchange differences and other adjustments	39		25	64			
Balance as at 31 December	**791**	**262**	**4,717**	**5,770**			

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Interests in unconsolidated structured entities

Ageas holds interests in unconsolidated structured entities that invest in mortgage receivables, lease receivables, private equity and corporate loans. Those structured entities generally have the following characteristics:

- The entity is financed through the issuance of notes, units or shares to investors; and
- The entity distributes the receipt of principal, interest and dividends on the invested mortgage and lease receivables, private equity or loans to the holders of the issued notes, units or shares.

Ageas recognises the carrying amount of structured entities that do not meet the criteria for consolidation in the line item 'Unquoted investment funds & other' in Financial investments (see note 2).

Committed but yet undrawn investment amounts are disclosed in the note 'Commitments', in the line item 'Collateral and guarantees given' (see note 31).

The table below describes the type of structured entities that Ageas does not consolidate but in which it holds an interest.

	31 December 2023			
Structured entity type	Carrying amount of interest held	Total assets of the structured entities	Maximum exposure to loss	Total commitment to invest
Fund of mortgage-backed securities	2,681	2,708	3,310	
Fund of mortgage loans				
Corporate loans	78	40	103	
Lease-backed receivables	22	148	22	
Private equity	240	2,615	240	167

	31 December 2022			
Structured entity type	Carrying amount of interest held	Total assets of the structured entities	Maximum exposure to loss	Total commitment to invest
Fund of mortgage-backed securities	2,520	2,548	3,099	
Fund of mortgage loans				
Corporate loans	74	74	103	
Lease-backed receivables	28	189	28	
Private equity	173	2,321	173	151

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Events after the date of the statement of financial position

There have been no material events after 31 December 2023 that would require adjustment or additional disclosure in these consolidated financial statements.

Statement of the Board of Directors

The Board of Directors of Ageas is responsible for preparing the Ageas Consolidated Financial Statements as at 31 December 2023 in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the European Transparency Directive (2004/109/EC), and for presenting the Report of the Board of Directors in accordance with the legal and regulatory requirements applicable in Belgium.

The Board of Directors has reviewed the Ageas Consolidated Financial Statements and the Report of the Board of Directors on 10 April 2024 and has authorised their issue.

The Board of Directors of Ageas declares that, to the best of its knowledge, the Ageas Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of Ageas, and of the uncertainties that Ageas is facing and that the information contained therein has no omissions likely to modify significantly the scope of any statements made.

The Board of Directors of Ageas also declares that the Report of the Board of Directors gives a fair overview of the development and performance of the businesses of the Group.

The Ageas Annual Report consisting of the Consolidated Financial Statements and Report of the Board of Directors will be submitted to the Annual General Meeting of Shareholders for approval on 15 May 2024.

Brussels, 10 April 2024

Board of Directors

Chairman	Bart De Smet
Vice-Chairman	Jane Murphy
Chief Executive Officer	Hans De Cuyper
Chief Financial Officer	Wim Guilliams
Chief Risk Officer	Emmanuel Van Grimbergen
Independent Directors	Richard Jackson
	Yvonne Lang Ketterer
	Lucrezia Reichlin
	Katleen Vandeweyer
	Sonali Chandmal
	Jean-Michel Chatagny
	Carolin Gabor
	Alicia Garcia Herrero *(appointed 17 May 2023)*

Independent Auditor's Report

Statutory Auditor's Report
to the general shareholders' meeting
of Ageas on the consolidated financial statements
for the year ended 31 December 2023

We present to you our Statutory auditor's report in the context of our statutory audit of the consolidated financial statements of Ageas (the "Company") and its subsidiaries (jointly "the Group"). This report includes our report on the consolidated financial statements, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as Statutory auditor by the General meeting d.d.19 May 2021, following the proposal formulated by the Board of directors and following the recommendation by the Audit committee. Our mandate will expire on the date of the General meeting which will deliberate on the annual financial statements for the year ended 31 December 2023. We have performed the statutory audit of the Company's consolidated financial statements for six consecutive years.

Report on the consolidated financial statements

Unqualified opinion

We have performed the statutory audit of the Group's consolidated financial statements, which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of accounting policies and estimates and other explanatory information, and which is characterised by a consolidated statement of financial position total of EUR 96,693 million and a consolidated income statement which results in a profit for the year ("Net result for the period") of EUR 1,177 million.

In our opinion, the consolidated financial statements give a true and fair view of the Group's net equity and consolidated financial position as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB which are applicable to the year-end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the "Statutory auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Belgium, including the requirements related to independence.

We have obtained from the Board of directors and Company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Estimation uncertainty with respect to transition to and first time application of IFRS 17 and IFRS 9

Description of the key audit matter

The financial year ended 31 December 2023 is the Group's first year of application of IFRS 17 "Insurance Contracts", which significantly modifies the accounting criteria for the recognition and measurement of insurance contracts compared to IFRS 4. On 1 January 2023, the Group also started the application of IFRS 9 "Financial Instruments", thereby modifying the classification and measurement of financial assets and liabilities in the Group's consolidated financial statements.

As part of the initial application of these accounting standards, comparative information at 1 January 2022 (transition balance sheet) needs to be prepared and the year-end 2022 corresponding figures in the Group's consolidated financial statements need to be restated. The transition to IFRS 17 and IFRS 9 has a significant impact on equity and involves a complex process that requires the application of assumptions and estimates.

The transition to and first time application of IFRS 17 and IFRS 9 have therefore been considered a key audit matter.

Information regarding the transition to and first time application of IFRS 17 and IFRS 9, is disclosed in the Note C "Summary of accounting policies and estimates" to the consolidated financial statements.

How our Audit addressed the key audit matter

We evaluated the compliance of the Group's accounting policies with IFRS 17 and IFRS 9.

We obtained an understanding and performed an evaluation of the internal control environment (including the IT infrastructure) related to the financial reporting process under the new standards.

We assessed and tested the applied transition methods to define the transition balance sheet.

We also assessed the accounting policies, the methodology and reasonableness of the actuarial models and assumptions used in the calculations of the Present Value of Fulfilment Cash Flows ("PVFCF"), Contractual Service Margin ("CSM") and the Risk Adjustment for non-financial risk ("RA").

We reperformed actuarial calculations of the fulfilment cash flows, CSM and CSM movements, RA, included in the Liability for Remaining Coverage ("LRC") for a sample of product groups measured under the Building Block Approach ("BBA").

We also independently assessed the actuarial models used to value the Liability for Incurred Claims ("LIC") measured under the Premium Allocation Approach ("PAA") for a risk based sample of product groups.

For the application of the PAA, we assessed the eligibility criteria.

We also assessed the appropriateness of the disclosures in the consolidated accounts regarding the transition, considering the requirements of the International Financial Reporting Standards as adopted by the European Union.

Our internal actuarial experts assisted us in performing the above listed audit procedures.

Estimation uncertainty with respect to the valuation of insurance contract liabilities

Description of the key audit matter

The liabilities of life insurance contracts measured using the BBA amount to EUR 51,569 million. The LRC of contracts measured using the BBA includes the PVFCF relating to future insurance services, as well as the CSM and the RA. The assumptions used for the projections of the said cash flows relate, mainly, to mortality, longevity, lapse, profitability and the defining of directly attributable expenses. The actuarial calculation of the cash flows arising from such insurance contracts is complex and highly judgmental as it is based on assumptions which are affected by future economic and political conditions and government regulations. Furthermore, the determination of the appropriate discounting of the said cash flows using the top-down approach is considered complex and highly judgmental, leading us to consider this as a key audit matter.

The liabilities of non life insurance contracts measured using the PAA amount to EUR 7,139 million. The LIC of contracts measured using the PAA accounts for the estimated cost of claims occurring up to the reporting date. The actuarial projection methods of the present value of expected future cash flows related to past insurance services arising from such insurance contracts are complex and highly judgmental as they are based on a number of key assumptions derived from historical information, mainly relating to the amount of the claim and claim payment patterns including expected future development. Furthermore, the determination of the appropriate discounting of the said cash flows using the bottom-up approach is considered complex and highly judgmental, leading us to consider this as a key audit matter.

Information on the valuation of insurance contract liabilities is included in Note 9 "Insurance contract assets and liabilities" to the consolidated financial statements, in application of the policies as described in Note C "Summary of accounting policies and estimates".

How our Audit addressed the key audit matter

We performed procedures on the design and operating effectiveness of the Group's controls to ascertain that the data used in the valuation and measurement of the insurance contract liabilities are adequate and complete. We performed testing of the Group's procedures to determine the aforementioned assumptions, testing of the assumptions based on market observable data and actuarial analysis through backtesting of the assumptions used.

Our substantive procedures on the LRC for insurance contracts measured under BBA mainly consisted of the following procedures:

- Assessing the accounting policies, the methodology and reasonableness of the actuarial models and assumptions used in the calculations of the PVFCF;
- Testing the completeness and accuracy of the data used in determining the assumptions, as well as data used in actuarial calculations;
- Verifying the accuracy of the fulfilment cash flows on a sample basis resulting from our risk assessment;
- Verifying the methodology and reasonableness of the RA;
- Reviewing the analysis of change and testing the CSM movements based on coverage units for a selection of cohorts;
- Performing a recalculation of the CSM related to new business for one cohort of one portfolio; and
- Verifying the locked-in and current discount rates (top-down).

Our substantive procedures on the LIC for insurance contracts measured under the PAA mainly consisted of the following procedures:

- Assessing the accounting policies, the methodology and reasonableness of the actuarial models and assumptions used in the calculation of the present value of fulfilment cash flows;
- Testing the completeness and accuracy of the data used in actuarial calculations; and
- Independently assessing the actuarial models for a risk based sample of product groups.

Finally, we assessed the completeness and accuracy of the disclosures regarding insurance contracts to assess compliance with disclosure requirements included in the International Financial Reporting Standards as adopted by the European Union.

We have been supported by our in-house actuarial experts to perform the above audit procedures.

Our procedures have allowed us to assess the valuation and measurement of the insurance contracts.

Valuation of financial assets for which a quoted price on an active market is not available

Description of the key audit matter

The Group holds financial assets for which a quoted price on an active market is not available. These mainly consist of debt securities and loans, detail of which can be found in Note 34 “Fair value of financial assets and financial liabilities” to the consolidated financial statements. The techniques and models used to value these financial assets involve a variety of assumptions that include, for many of them, some degree of judgement. In addition, the number of elements that might affect the determination of the fair value depends both on the type of instrument and the instrument itself. As a result, the use of various valuation techniques and assumptions could lead to significantly different fair value estimates.

The uncertainty associated with these valuation techniques and models selected per type of instrument is considered more complex and judgemental, leading us to consider this as a key audit matter.

Our audit procedures related to the key audit matter

We performed procedures on the design and operating effectiveness of the internal control system for the valuation of financial assets, including controls over pricing and the model validation process.

We selected a sample of financial assets and, with the assistance of our experts on the valuation of financial assets, reviewed the estimates made and the main assumptions used in determining their fair value, taking into account market data. Where necessary, we also tested the standing data used in the determination of fair value. Our internal experts in valuation assisted us to recalculate the fair value of a sample of selected financial assets. Finally, we verified compliance with the application of the disclosure requirements included in the International Financial Reporting Standards as adopted by the European Union.

Based on our controls, we estimate that the market values assigned to these investments are reasonable.

Responsibilities of the Board of directors for the preparation of the consolidated financial statements

The Board of directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the Board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated financial statements in Belgium. A statutory audit does not provide any assurance as to the Group’s future viability nor as to the efficiency or effectiveness of the Board of directors’ current or future business management at Group level. Our responsibilities in respect of the use of the going concern basis of accounting by the Board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of directors;
- conclude on the appropriateness of the Board of directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Statutory auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Statutory auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the Board of directors

The Board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements.

Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report on the consolidated financial statements and to report on these matters.

Aspects related to the directors' report on the consolidated financial statements

In our opinion, after having performed specific procedures in relation to the directors' report on the consolidated financial statements, this directors' report is consistent with the consolidated financial statements for the year under audit and is prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

The non-financial information required by virtue of article 3:32, §2 of the Companies' and Associations' Code is included in the directors' report on the consolidated financial statements. The Company has prepared the non-financial information, based on the Global Reporting Initiative (GRI) Universal Standards. However, in accordance with article 3:80, §1, 5° of the Companies' and Associations' Code, we do not express an opinion as to whether the non-financial information has been prepared in accordance with the said framework as disclosed in the directors' report on the consolidated financial statements.

Statements related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated financial statements and our registered audit firm remained independent of the Group in the course of our mandate.
- The fees for additional services which are compatible with the statutory audit of the consolidated financial statements referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemised in the notes to the consolidated financial statements.

European Uniform Electronic Format (ESEF)

We have also verified, in accordance with the draft standard on the verification of the compliance of the financial statements with the European Uniform Electronic Format (hereinafter "ESEF"), the compliance of the ESEF format with the regulatory technical standards established by the European Delegate Regulation No. 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format (hereinafter "digital consolidated financial statements") included in the annual financial report.

Our responsibility is to obtain sufficient appropriate evidence to conclude that the format and marking language of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

Based on our procedures performed, we believe that the format of and marking of information in the digital consolidated financial statements included in the annual financial report of Ageas per 31 December 2023 comply in all material respects with the ESEF requirements under the Delegated Regulation.

Other statement

This report is consistent with the additional report to the Audit committee referred to in article 79 of the law of 13 March 2016 on the legal status and supervision of insurance or reinsurance companies, which makes reference to article 11 of the Regulation (EU) N° 537/2014.

Diegem, 10 April 2024

The Statutory auditor
PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV
Represented by

Kurt Cappoen*
Réviseur d'Entreprises / Bedrijfsrevisor

** Acting on behalf of Kurt Cappoen BV / SRL*

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Ageas SA/NV statutory accounts 2023

General information

1. Foreword

Most ‘general information’ is included in the Report of the Board of Directors of Ageas. This section of general information contains solely information on Ageas SA/NV that has not been provided elsewhere.

2. Identification

The company is a public limited liability company bearing the name Ageas SA/NV. Its registered office is at Avenue du Boulevard 21, 1210 Brussels. The company is registered in the Brussels register of legal entities under no. 0451.406.524.

3. Incorporation and publication

The company was incorporated on 6 November 1993 under the name Fortis Capital Holding.

4. Places where the public can verify company documents

The Articles of Association of Ageas SA/NV are available at the Registry of the Commercial Court at Brussels, at the company’s registered office and at the website of Ageas.

Decisions on the appointment and resignation of Board Members of the companies are published, among other places, in the annexes to the Belgian Official Gazette. Financial reports on the companies and notices convening General Meetings are published in the financial press, newspapers and periodicals. The financial statements of the company are available at the registered office and are also filed with the National Bank of Belgium. They are sent each year to registered shareholders and to others on request.

5. Audit opinion

PwC issued an unqualified auditor’s report on the Ageas SA/NV company financial statements.

6. Incoming reinsurance

Next to being the ultimate parent of an international insurance group, Ageas also writes reinsurance business. Ageas SA/NV has a reinsurance licence for both Life and Non-Life activities.

Ageas writes Non-Life proportional and non-proportional reinsurance with several affiliated companies and joint ventures. Since 2022 the reinsurance activity was expanded to third parties. External reinsurance protection is bought, in line with Ageas’ risk appetite.

Disclosure on items in the statement of financial position and income statement and regulatory requirements

1. Statistory results of Ageas SA/NV under Belgian Accounting Principles

Ageas SA/NV reported for the financial year 2023 a net profit of EUR 160 million (2022: EUR 1,036 million) and a shareholders' equity of EUR 5,510 million (2022: EUR 6,009 million).

2. Review of the balance sheet and income statement

2.1 Assets

2.1.1 Intangible fixed assets
(December 2023: EUR 9 million; December 2022: EUR 10 million)

2.1.2 Investments
(December 2023: EUR 9,575 million; December 2022: EUR 9,357 million)

Investments in affiliated enterprises and participations (EUR 7,490 million)
The investment in Ageas Insurance International (EUR 6,436 million) remained stable compared to 31 December 2022.

Notes, bonds and receivables consist of loans to affiliates (December 2023: EUR 993 million; December 2022: EUR 1,040 million). As part of the sale agreement of the group's interest in affiliate Ageas France, the outstanding loan was redeemed in 2023.

Other investments (EUR 1,273 million)
These consist of an equity portfolio (EUR 126 million), fixed income securities (EUR 946 million), and deposits with credit institutions (EUR 200 million). The increase reflects the growth of the reinsurance business.

Deposits with ceding companies (EUR 812 million)
These relate to reinsurance agreements with funds withheld arrangements.

2.1.3 Part of the reinsurer in the technical provisions
(December 2023: EUR 65 million; December 2022: EUR 60 million)

2.1.4 Debtors
(December 2023: EUR 180 million; December 2022: EUR 470 million)

Short-term loans towards affiliate Ageas Insurance International decreased significantly.

2.1.5 Other assets
(December 2023: EUR 213 million; December 2022: EUR 282 million)

Treasury shares
(December 2023: EUR 121 million; December 2022: EUR 201 million)
These are treasury shares acquired through share-buy back programmes, purchase of treasury shares from affiliates and treasury shares acquired to cover the restricted share plans for some members of staff and directors of the company.

2.1.6 Deferred charges and accrued income
(December 2023: EUR 43 million; December 2022: EUR 45 million)
Accrued income relates mainly to accrued interests on intercompany loans.

2.2 Liabilities

2.2.1 Equity
(December 2023: EUR 5,510 million; December 2022: EUR 6,009 million)

Subscribed capital
(December 2023: EUR 1,502 million; December 2022: EUR 1,502 million)

Share premium reserve
(December 2023: EUR 2,051 million; December 2022: EUR 2,051 million)

Legal reserve
(December 2023: EUR 150 million; December 2022: EUR 150 million)

Reserves not available for distribution
(December 2023: EUR 141 million; December 2022: EUR 221 million)
Reserves not available for distribution are set up for own shares held by Ageas or by affiliates.

In 2023 EUR 73 million of own shares were cancelled or settled through share plans. An impairment on treasury shares of EUR 7 million was recorded to reflect their market value at the date of the balance sheet.

Reserves available for distribution
(December 2023: EUR 761 million; December 2022: EUR 754 million)

Profit/loss carried forward
(December 2023: EUR 904 million; December 2022: EUR 1,330 million)
The profit of the year amounts to EUR 160 million. A final dividend for a gross amount of EUR 1.75 per share proposed for a total amount of EUR 315 million (in addition to the EUR 1.50 per share interim dividend paid in October 2023). This brings the total dividend to EUR 3.25 per share, up by more than 8% compared to last year, representing an amount of EUR 586 million. The profit to be carried forward amounts to EUR 904 million.

2.2.2 Subordinated liabilities
(December 2023: EUR 1,747 million; December 2022: EUR 1,747 million)

3 subordinated liabilities are outstanding:
- On 10 April 2019 Ageas SA/NV issued its inaugural debt securities in the form of EUR 500 million Subordinated Fixed to Floating Rate Notes maturing in 2049.
- On 10 December 2019 Ageas SA/NV issued subordinated debt securities for an aggregate principal amount of EUR 750 million in the form of Perpetual Subordinated Fixed Rate Resettable Temporary Write-Down Restricted Tier 1 Notes.
- In 17 November 2020 Ageas SA/NV issued subordinated debt securities in the form of EUR 500 million Subordinated Fixed to Floating Rate Notes maturing in 2051.

2.2.3 Technical Provisions
(December 2023: EUR 1,964 million; December 2022: EUR 1,744 million)
The unearned premiums reserves (EUR 423 million) and claims reserves (EUR 1,361 million) relate to the incoming reinsurance programs.
The technical provisions also include an equalization reserve (EUR 90 million) which is updated annually, and a reserve for profit sharing (EUR 90 million).

2.2.4 Provisions
(December 2023: EUR 398 million; December 2022: EUR 336 million)
The increase in the provisions is fully explained by increase in the RPN(I) provision. See note 23 'RPN(I)' of the Consolidated Financial Statements for more details.

2.2.5 Payables
(December 2023: EUR 431 million; December 2022: EUR 356 million)

Other amounts payable relate mainly to the proposed final dividend of EUR 315 million (in total a dividend of EUR 586 million is proposed, an interim dividend of EUR 270 million was paid in October during 2023).

2.2.6 Accruals and deferred costs
(December 2023: EUR 34 million; December 2022: EUR 34 million)

2.3 Income statement

2.3.1 Balance on the technical account non-life business
(2023: EUR 47 million; 2022: EUR -80 million)
The result was positively impacted by an improved contribution from intra-group business and joint ventures and by the new external business. Next to that the reserve for profit sharing increased in 2023 with EUR 5 million (2022: EUR 85 million).

2.3.2 Balance on the technical account life business
(2023: EUR 1.2 million; 2022: EUR -0.2 million)

2.3.3 Non-technical account: Investment income
(2023: EUR 368 million; December 2022: EUR 1,195 million)
Investment income includes mainly the dividend received from subsidiary Ageas Insurance International (2023: EUR 300 million) and the interests on loans to affiliates (EUR 61 million).

2.3.4 Non-technical account: Investments expenses
(2023: EUR 99 million; 2022: EUR 99 million)
Investment expense includes mainly the interests on the subordinated liabilities (EUR 57 million), interest on RPN(I) (EUR 18 million) and the Cashes annual indemnification (EUR 19 million).

2.3.5 Other income
(2023: EUR 23 million; 2022: EUR 157 million)
Other income in 2022 included a release in the RPN(I) provision of EUR 139 million.

2.3.6 Other charges
(2023: EUR 180 million; 2022: EUR 138 million)
Other charges comprise a charge of EUR 64 million on the RPN(I) provision (as opposed to a release in 2022 – see above).

3. Regulatory requirements (art. 3:6 and 3:32 of the Belgian Company Code)

Conflict of interest

Due to a conflict of interest and as required by article 7:96 of the Company Code, extract of the minutes of the relevant meetings of the Board of Directors are included in the Report of the Board of Directors attached to the statutory financial statements of Ageas SA/NV.

3.1 Information on circumstances that could profoundly influence the development of the company

See note 'Forward-looking statements to be treated with caution'.

3.2 Information on research and development

The company did not carry out any research and development activities.

3.3 Branches

None.

3.4 Events after the date of the statement of financial position

There have been no material events after the date of the financial statements that would require adjustment or amounts recognised or disclosed in the Financial Statements as of 31 December 2023.

3.5 Other information that according to the Belgian Company Code should be included in the Annual Report

Discharge of the directors and external auditor

As prescribed by law and the company's Articles of Association, we will request the General Meeting of Shareholders to grant the company's Board of Directors and Auditor discharge in respect of the execution of their mandate.

Capital increase and issue of warrants

In 2023 no capital increase or issue of warrants was made.

Non-audit assignments carried out by the auditor in 2023

In 2023, the external auditor carried out an additional assignment on tax consultancy.

Use of financial instruments

See section C. Notes to the Consolidated Financial Statements.

Corporate Governance Statement

See Report of the Board of Directors, part 6 'Corporate Governance Statement', in the Annual Report.

Remuneration report

See Report of the Board of Directors, part 6.7 'Report of the Remuneration Committee', in the Annual Report.

ageas

10					EUR		
NAT.	Date of the deposition	N°	P.	U.	D.		C1.

ANNUAL ACCOUNTS IN EUROS

NAME	:	AGEAS	
Legal form	:	NV	
Address	:	Bolwerklaan 21	
Postal code	:	1210	
Municipality	:	Brussels	
Register of Legal Persons (RLP) - Office of the commercial court at	:	Brussels, Dutch	
Internet address	:	www.ageas.com	
Company number	:	451.406.524	
Date	:	2023-05-30	of the deposition of the partnership deed OR of the most recent document mentioning the date of publication of the partnership deed and the act changing the articles of association

ANNUAL ACCOUNTS approved by the General Meeting of	:	2024-05-15
concerning the financial year covering the period from	:	2023-01-01 to 2023-12-31
previous period from	:	2022-01-01 to 2022-12-31

The amounts of the previous financial year are identical to those previously published .... : yes / ~~no~~ **

COMPLETE LIST WITH name, first name, profession, residence-address (address, number, postal code, municipality) and position with the enterprise of the DIRECTORS, MANAGERS and AUDITORS

- DE SMET Bart, Bolwerklaan 21, 1210 Brussels, Belgium, Chairman of the Board, mandate from 22/10/2020 to 19/05/2021 and from 19/05/2021 to 21/05/2025
- DE CUYPER Hans, Bolwerklaan 21, 1210 Brussels, Belgium, Director, mandate from 22/10/2020 to 15/05/2024
- CANO Antonio, Bolwerklaan 21, 1210 Brussels, Belgium, Director, mandate from 20/05/2020 to 15/05/2024
- de SELLIERS de MORANVILLE Guy, Bolwerklaan 21, 1210 Brussels, Belgium, Vice Chairman of the Board, mandate from 15/05/2019 to 17/05/2023
- VANDEWEYER Kathleen, Bolwerklaan 21, 1210 Brussels, Belgium, Director, mandate from 17/05/2017 to 19/05/2021 and from 19/05/2021 to 21/05/2025
- MURPHY Jane, Bolwerklaan 21, 1210 Brussels, Belgium, Director, mandate from 20/05/2020 to 15/05/2024
- COREMANS Filip, Bolwerklaan 21, 1210 Brussels, Belgium, Director, mandate from 15/05/2019 to 17/05/2023
- BOIZARD Christophe, Bolwerklaan 21, 1210 Brussels, Belgium, Director, mandate from 15/05/2019 to 17/05/2023

(Page C1.a continued, if applicable)

Attached to these annual accounts are the following:
- the statutory auditors' report**
- the management report**

Total number of pages deposited: .... :

Number of the pages of the standard form not deposited for not being of service .... :

Signature	Signature
(name and function)	(name and function)
Bart De Smet - Chairman of the Board	Hans De Cuyper - CEO

* *Optional statement.*

** *Delete where appropriate.*

10					EUR		
NAT.	Date of the deposition	N°	P.	U.	D.		C1.

COMPLETE LIST WITH name, first name, profession, residence-address (address, number, postal code, municipality)
and position with the enterprise of the DIRECTORS, MANAGERS and AUDITORS

- JACKSON Richard, Bolwerklaan 21, 1210 Brussels, Belgium, Director, mandate from 20/05/2020 to 15/05/2024
- LANG KETTERER Yvonne, Bolwerklaan 21, 1210 Brussels, Belgium, Director, mandate from 20/05/2020 to 15/05/2024
- REICHLIN Lucrezia, Bolwerklaan 21, 1210 Brussels, Belgium, Director, mandate from 20/05/2020 to 15/05/2024
- CHANDMAL Sonali, Bolwerklaan 21, 1210 Brussels, Belgium, Director, mandate from 16/05/2018 to 18/05/2022 and from 18/05/2022 to 20/05/2026
- VAN GRIMBERGEN Emmanuel, Bolwerklaan 21, 1210 Brussels, Belgium, Director, mandate from 15/05/2019 to 17/05/2023 and from 17/05/2023 to 19/05/2027
- CHATAGNY Jean-Michel, Bolwerklaan 21, 1210 Brussels, Belgium, Director, mandate from 19/05/2021 to 21/05/2025
- GABOR Carolin, Bolwerklaan 21, 1210 Brussels, Belgium, Director, mandate from 18/05/2022 to 20/05/2026
- GARCIA HERRERO Alicia, Bolwerklaan 21, 1210 Brussels, Belgium, Director, mandate from 17/05/2023 to 19/05/2027
- GUILLIAMS Wim, Bolwerklaan 21, 1210 Brussels, Belgium, Director, mandate from 17/05/2023 to 19/05/2027

PwC Reviseurs d'Entreprises srl / Bedrijfsrevisoren bv, Culliganlaan 5, 1831 Diegem, Belgium
Statutory auditor, represented by Mr. CAPPOEN Kurt (membership number A01969)
Mandate from 16/05/2018 to 19/05/2021 and from 19/05/2021 to 15/05/2024

VAT	EUR	**C1.a**

The managing board declares that the assignment neither regarding auditing nor adjusting has been given to a person who was not authorised by law pursuant to art. 34 and 37 of the Law of 22nd April 1999 concerning the auditing and tax professions.

Have the annual accounts been audited or adjusted by an external accountant or auditor who is not a statutory auditor? ~~YES~~ / NO (1).

If YES, mention here after: name, first names, profession, residence-address of each external accountant or auditor, the number of membership with the professional Institute ad hoc and the nature of this engagement:

A. Bookkeeping of the undertaking (2),
B. Preparing the annual accounts (2),
C. Auditing the annual accounts,
D. Adjusting the annual accounts.

If the assignment mentioned either under A (Bookkeeping of the undertaking) or B (Preparing the annual accounts) is performed by authorised accountants or authorised accountants-tax consultants, information will be given on: name, first names,

(1) Delete where appropriate.
(2) Optional statement.

Name, first names, profession and residence-address	Number of membership	Nature of the engagement (A, B, C and/or D)

Annex to the Royal Decree on the annual accounts of insurance companies

Chapter I. Structure of the annual accounts
Section I. Balance sheet at 31/12/2023 (in Euro units)

Assets	Codes	Current period	Previous period
A. -	**-**		
B. Intangible assets (statement 1)	**21**	8,790,372	10,176,961
I. Formation expenses	211	8,750,890	10,176,962
II. Intangible assets	212	39,482	(0)
1. Goodwill	212.1		
2. Other intangible assets	212.2	39,482	(0)
3. Prepayments	212.3		
C. Investments (statements 1, 2 and 3)	**22**	9,574,903,019	9,357,256,926
I. Land and buildings (statement 1)	221		
1. Real estate for own activities as part of its own business	221.1		
2. Other	221.2		
II. Investments in affiliated undertakings and participating interests (statements 1, 2 and 18)	222	7,490,198,068	7,542,167,188
- Affiliated undertakings	222.1	7,429,117,574	7,476,370,192
1. Participating interests	222.11	6,436,261,750	6,436,159,584
2. Notes, bonds and receivables	222.12	992,855,824	1,040,210,608
- Undertakings linked by virtue of a participating interest	222.2	61,080,494	65,796,996
3. Participating interests	222.21	223,773	29,927
4. Notes, bonds and receivables	222.22	60,856,721	65,767,070
III. Other financial investments	223	1,273,030,287	1,026,159,457
1. Equities, shares and other variable income securities (statement 1)	223.1	126,242,551	93,996,314
2. Debt securities and other fixed-income securities (statement 1)	223.2	946,762,273	741,140,988
3. Participating in investment pools	223.3		
4. Loans and mortgages	223.4		
5. Other loans	223.5		
6. Deposits with other credit institutions	223.6	200,025,462	191,022,155
7. Other	223.7		
IV. Deposits with ceding undertakings	224	811,674,665	788,930,280
D. Investments relating to operations linked to an investment fund group's "life" activities where the risk is not borne by the company i.e. Unit-Linked products	**23**		

Liabilities	Codes	Current period	Previous period
A. Shareholders' equity (statement 5)	**11**	5,510,483,124	6,009,238,490
I. Subscribed capital or fund equivalent, net of capital uncalled	111	1,502,364,273	1,502,364,273
1. Subscribed capital	111.1	1,502,364,273	1,502,364,273
2. Uncalled capital (-)	111.2		
II. Share premium reserve	112	2,050,976,359	2,050,976,359
III. Revaluation reserve	113		
IV. Reserves	114	1,053,164,311	1,126,063,511
1. Legal reserve	114.1	150,236,427	150,236,427
2. Unavailable reserve	114.2	141,455,048	221,475,962
a) for own shares	114.21	141,455,048	221,475,962
b) other	114.22		
3. Untaxed reserve	114.3		
4. Available reserve	114.4	761,472,836	754,351,122
V. Result carried forward	115	903,978,181	1,329,834,347
1. Profit carried forward	115.1	903,978,181	1,329,834,347
2. Loss carried forward (-)	115.2		
VI. -	-		
B. Subordinated liabilities (statements 7 and 18)	12	1,746,561,580	1,745,994,610
Bbis Funds for future dotations	**13**		
C. Technical provisions (statement 7)	**14**	1,964,357,567	1,744,043,421
I. Provisions for unearned premiums and unexpired risks	141	422,729,078	315,214,060
II. Life insurance provision	142		
III. Claims reserve	143	1,361,331,682	1,285,460,405
IV. Provision for bonuses and rebates	144	90,078,839	84,780,845
V. Provision for equalization and catastrophes	145	90,217,968	58,588,111
VI. Other technical provisions	146		
D. Technical provisions relating to operations linked to an investment fund group's "Life" activities where the risk is not borne by the company i.e. Unit-Linked products (statement 7)	15		

Annex to the Royal Decree on the annual accounts of insurance companies

Chapter I. Structure of the annual accounts
Section I. Balance sheet at 31/12/2023 (in Euro units)

Assets	Codes	Current period	Previous period
Dbis Reinsurers' share			
of technical provisions	**24**	65,227,043	60,030,229
I. Provisions for unearned			
premiums and unexpired risks	241	2,288,187	1,550,132
II. Life insurance provision	242		
III. Claims outstanding	243	62,938,856	58,480,097
IV. Provision for profit-sharing			
and retrocessions	244		
V. Other technical provisions	245		
VI. Provisions related to operations			
related to an investment fund			
of the "life" business group when the			
investment risk is not			
borne by the company	246		
E. Receivables (statements 18 and 19)	**41**	180,167,778	470,465,958
I. Receivables from direct			
insurance operations	411		
1. Policyholders	411.1		
2. Insurance intermediaries	411.2		
3. Other	411.3		
II. Receivables from			
reinsurance operations	412	130,739,843	82,377,116
III. Other receivables	413	49,427,935	388,088,842
IV. Subscribed capital called but not paid	414		
F. Other assets	**25**	212,649,633	281,643,587
I. Tangible assets	251	14,740,355	8,669,199
II. Cash at bank and in hand	252	76,768,750	72,433,002
III. Own shares	253	121,128,026	200,528,883
IV. Other	254	12,503	12,503
G. Deferred charges and accrued			
income (statement 4)	***431/433***	42,653,230	45,094,664
I. Accrued interest			
and rent	431	30,255,678	26,515,456
II. Acquisition costs carried forward	432		
1. Non-life insurance operations	432.1		
2. Life insurance operations	432.2		
III. Other accrued charges and deferred income	433	12,397,553	18,579,209
TOTAL	***21/43***	10,084,391,077	10,224,668,325

Liabilities	Codes	Current period	Previous period
E. Provisions for other risks			
and charges	**16**	398,400,000	335,622,096
I. Provisions for pensions and			
similar obligations	161		
II. Provisions for taxes	162		
III. Other provisions (statement 6)	163	398,400,000	335,622,096
F. Deposits received from			
reinsurers	**17**		
G. Debts (statements 7 and 18)	**42**	430,626,165	355,657,557
I. Payables from direct			
insurance operations	421		
II. Reinsurance payables	422	78,265,780	53,170,029
III. Unsubordinated bonds	423		
1. Convertible bonds	423.1		
2. Non-convertible bonds	423.2		
IV. Amounts payable to			
credit institutions	424		
V. Other amounts payable	425	352,360,385	302,487,528
1. Tax, salary and social liabilities	425.1	7,726,970	7,666,213
a) Taxes	425.11	48,485	26,4346
b) Remuneration			
social charges	425.12	7,678,485	7,639,778
2. Other	425.2	344,633,416	294,821,315
H. Accrued charges and deferred			
income (statement 8)	***434/436***	33,962,641	34,112,151
TOTAL	***11/43***	10,084,391,077	10,224,668,325

Annex to the Royal Decree on the annual accounts of insurance companies

Chapter I. Structure of the annual accounts
Section I. Balance sheet at 31/12/2023 (in Euro units)

I. Non-life technical account

Name	Codes	Current period	Previous period
1. Premiums earned, net of reinsurance	**710**	1,568,169,313	1,471,400,381
a) Gross premiums written (statement 10)	710.1	1,807,194,778	1,544,086,624
b) Outward reinsurance premiums (-)	710.2	(132,248,504)	(89,867,547)
c) Change in the gross provisions for unearned premiums and in the provision for unexpired risks, gross amount	710.3	(107,515,018)	(17,233,424)
d) Change in provisions for unearned premiums and unexpired risks, reinsurers' share	710.4	738,056	(52,121)
2. Allocated investment income transferred from the non-technical account (item 6)	**711**		
2bis Investment income	**712**	35,368,881	23,040,522
a) Income from investments in affiliated undertakings or in undertakings by a participating interest	712.1		
aa) Affiliated undertakings	712.11		
1 Participations	712,111		
2 Notes, bonds and receivables	712,112		
bb) Undertakings linked by virtue of a participating interest	712.12		
1 Participations	712,121		
2 Notes, bonds and receivables	712,122		
b) Income from other investments	712.2	35,368,881	23,040,522
aa) Income from land and buildings	712.21		
bb) Income from other investments	712.22	35,368,881	23,040,522
c) Reversals of valuation adjustments on investments	712.3		
d) Gains on the realisation of investments	712.4		
3. Other technical income, net of reinsurance	**714**		
4. Claims incurred, net of reinsurance (-)	**610**	(951,033,686)	(892,685,967)
a) Claims paid, net of reinsurance	610.1	877,527,308	794,827,326
aa) gross amounts (statement 10)	610.11	911,589,536	829,245,136
bb) reinsurers' share (-)	610.12	(34,062,227)	(34,417,811)
b) Change in provision for claims, gross of reinsurance (increase +, decrease -)	610.2	73,506,377	97,858,641
aa) Change in provisions for claims, gross amount (statement 10) (increase +,decrease -)	610.21	77,965,136	99,367,595
bb) Change in provisions for claims, reinsurers' share (increase -, decrease +)	610.22	(4,458,759)	(1,508,954)

Annex to the Royal Decree on the annual accounts of insurance companies

Chapter I. Structure of the annual accounts
Section I. Balance sheet at 31/12/2023 (in Euro units)

I. Non-life technical account

Name	Codes	Current period	Previous period
5. Change in other technical provisions, net of reinsurance (increase -, decrease +)	**611**		
6. Bonus and rebates, net of reinsurance (-)	**612**	(5,297,994)	(84,780,845)
7. Net operating expenses (-)	**613**	(586,449,811)	(527,531,319)
a) Acquisition costs	613.1	588,402,630	530,187,207
b) Change in the amount of acquisition costs carried expensed in assets (increase -, decrease +)	613.2		
c) Administration expenses	613.3	8,204,723	4,190,501
d) Commissions received from reinsurers and profit-sharing (-)	613.4	(10,157,543)	(6,846,389)
7bis Investment expenses (-)	**614**	(1,335,182)	(4,497,056)
a) Investment management expenses	614.1	642,225	1,096,267
b) Valuation adjustments on investments	614.2		
c) Losses on disposals	614.3	692,957	3,400,789
8. Other technical costs, net of reinsurance (-)	**616**	(19,473,063)	(40,014,176)
9. Change in provisions for equalisation and disasters, net of reinsurance (increase -, decrease +)	**619**	(31,629,857)	(24,531,229)
10. Result of the non-life technical account			
Profit (+)	*710 / 619*	47,264,728	
Loss (-)	*619 / 710*		(79,599,689)

Annex to the Royal Decree on the annual accounts of insurance companies

Chapter I. Structure of the annual accounts
Section I. Balance sheet at 31/12/2023 (in Euro units)

II. Life technical account

Name	Codes	Current period	Previous period
1. Net reinsurance premiums	**720**	**399,223**	**30,192,777**
a) Gross premiums written (statement 10)	720.1	399,223	30,192,777
b) Outward reinsurance premiums (-)	720.2		
2. Investment income	**722**		
a) Income from investments in affiliated undertakings or in undertakings by a participating interest	722.1		
aa) Affiliated undertakings	722.11		
1 Participations	722,111		
2 Notes, bonds and receivables	722,112		
bb) Undertakings linked by virtue of a participating interest	722.12		
1 Participations	722,121		
2 Notes, bonds and receivables	722,122		
b) Income from other investments	722.2		
aa) Income from land and buildings	722.21		
bb) Income from other investments	722.22		
c) Reversals of valuation adjustments on investments	722.3		
d) Gains on the realisation of investments	722.4		
3. Valuation adjustments on investments of item D. in assets (income)	**723**		
4. Other technical income, net of reinsurance	**724**	**1,500,000**	
5. Cost of claims, net of reinsurance (-)	**620**	**(153,754)**	**(29,513,979)**
a) Net amounts paid	620.1	2,247,613	39,709,017
aa) gross amounts	620.11	2,247,613	39,709,017
bb) reinsurers' share (-)	620.12		
b) Change in provision for claims, net of reinsurance (increase +, decrease -)	620.2	(2,093,859)	(10,195,038)
aa) Change in provisions for claims, gross from reinsurance (increase +, decrease -)	620.21	(2,093,859)	(10,195,038)
bb) Change in provisions for claims, share of reinsurers (increase -, decrease +)	620.22		

Annex to the Royal Decree on the annual accounts of insurance companies

Chapter I. Structure of the annual accounts
Section I. Balance sheet at 31/12/2023 (in Euro units)

II. Life technical account

Name	Codes	Current period	Previous period
6. Change in other technical provisions, net of of reinsurance (increase -, decrease +)	**621**	**0**	**0**
a) Change in provision for life insurance, net from reinsurance (increase -, decrease +)	621.1	0	0
aa) change in life insurance provision, gross of reinsurance (increase -,decrease +)	621.11	0	0
bb) change in life insurance provision, reinsurers' share (increase +, decrease -)	621.12	0	0
b) Change in other technical provisions net of reinsurance (increase -, decrease +)	621.2	0	0
7. Profit-sharing and retrocessions, net of reinsurance (-)	**622**	**0**	**0**
8. Net operating expenses (-)	**623**	**(500,000)**	**(907,261)**
a) Acquisition costs	623.1	0	161,879
b) Change in the amount of acquisition costs carried expensed in assets (increase -, decrease +)		0	0
c) Management costs	623.3	500,000	745,382
d) Commissions received from reinsurers and profit-sharing (-)	623.4	0	0
9. Investment expenses (-)	**624**	**0**	**0**
a) Investment management expenses	624.1	0	0
b) Valuation adjustments on investments	624.2	0	0
c) Losses on disposals	624.3	0	0
10. Valuation adjustments on investments of item D. in assets (costs) (-)	**625**	**0**	**0**
11. Other technical costs, net of reinsurance (-)	**626**	**0**	**0**
12. Allocated investment income transferred to the non-technical account (item 4) (-)	**627**	**0**	**0**
12bis Change in fund for future provisions (increase -, decrease +)	**628**	**0**	**0**
13. Result of the life technical account			
Profit (+)	*720 / 628*	1,245,470	0
Loss (-)	*628 / 720*	0	228,463

Annex to the Royal Decree on the annual accounts of insurance companies

Chapter I. Structure of the annual accounts
Section I. Balance sheet at 31/12/2023 (in Euro units)

III. Non-technical account

Name	Codes	Current period	Previous period
1. Result of the technical account - non-life insurance business (item 10)			
Profit (+)	*(710 / 619)*	47,264,728	0
Loss (-)	*(619 / 710)*	0	79,599,689
2. Result of the technical account - life insurance business (item 13)			
Profit (+)	*(720 / 628)*	1,245,470	0
Loss (-)	*(628 / 720)*	0	228,463
3. Investment income	**730**	**367,651,309**	**1,195,171,953**
a) Income from investments in affiliated undertakings or in undertakings by a participating interest	730.1	364,038,220	1,194,034,768
b) Income from other investments	730.2	3,613,089	1,137,185
aa) Income from land and buildings	730.21	0	0
bb) Income from other investments	730.22	3,613,089	1,137,185
c) Reversals of valuation adjustments on investments	730.3	0	0
d) Gains on the realisation of investments	730.4	0	0
4. Allocated investment income, transferred from the life technical account (item 12)	**731**	0	**0**
5. Investment expenses (-)	**630**	**(99,018,794)**	**(98,826,590)**
a) Investment management expenses	630.1	97,933,424	98,826,590
b) Valuation adjustments on investments	630.2	1,085,370	0
c) Losses on the realisation of investments	630.3	0	0
6. Allocated investment income, transferred to the non-life technical account (item 2) (-)	**631**	0	**0**
7. Other income (statement 13)	**732**	**22,588,493**	**156,849,307**
8. Other charges (statement 13) (-)	**632**	**(179,801,200)**	**(137,707,190)**
8bis Profit or loss on ordinary activities before tax			
Profit (+)	*710 / 632*	159,930,006	1,035,659,327
Loss (-)	*632 / 710*	0	0
9. -	**-**	0	0
10. -	**-**	0	0

Annex to the Royal Decree on the annual accounts of insurance companies

Chapter I. Structure of the annual accounts
Section I. Balance sheet at 31/12/2023 (in Euro units)

III. Non-technical account

Name	Codes	Current period	Previous period
11. Extraordinary income (statement 14)	**733**	**0**	**0**
12. Extraordinary expenses (statement 14) (-)	**633**	**0**	**0**
13. Extraordinary result			
Profit (+)	*733 / 633*	0	0
Loss (-)	*633 / 733*	0	0
14. -	**-**	0	0
15. Taxes on income (-/+)	**634 / 734**	**144,251**	**150,498**
15bis Deferred taxes (-/+)	**635 / 735**	**0**	**0**
16. Profit/(loss) for the financial year			
Profit (+)	*710 / 635*	159,785,755	1,035,508,830
Loss (-)	*635 / 710*	0	0
17. a) Withdrawals from untaxed reserves	**736**	**0**	**0**
b) Transfers to untaxed reserves (-)	**636**	**0**	**0**
18. Profit/(loss) for the financial year			
Profit (+)	*710 / 636*	159,785,755	1,035,508,830
Loss (-)	*636 / 710*	0	0

Annex to the Royal Decree on the annual accounts of insurance companies

Chapter I. Structure of the annual accounts
Section I. Balance sheet at 31/12/2023 (in Euro units)

III. Non-technical account

Name	Codes	Current period	Previous period
A. Profit to be appropriated	**710 / 637.1**	**1,489,620,102**	**1,895,642,995**
Loss to be appropriated (-)	**637.1 / 710**	**0**	**0**
1. Profit for the financial year available for appropriation	710 / 636	159,785,755	1,035,508,830
Loss for the financial year available for appropriation (-)	636 / 710	0	0
2. Profit carried forward from the previous financial year	737.1	1,329,834,347	860,134,165
Loss carried forward from the previous financial year (-)	637.1	0	0
B. Transfers from shareholders' equity	**737.2 / 737.3**	**0**	**0**
1. from the capital and share premium reserves	737.2	0	0
2. from reserves	737.3	0	0
C. Allocations to equity (-)	**637.2 / 637.3**	**0**	**(25,176,130)**
1. to the capital and share premium reserves	637.2	0	0
2. to legal reserve	637.31	0	25,176,130
3. to other reserves	637.32	0	0
D. Result to be carried forward			
1. Profit to be carried forward (-)	637.4	(903,978,181)	(1,329,834,347)
2. Loss to be carried forward	737.4	0	0
E. Partners' participation in the loss	**737.5**	**0**	**0**
F. Profit to be distributed (-)	**637.5 / 637.7**	**(585,641,921)**	**(540,632,518)**
1. Dividends	637.5	585,641,921	540,632,518
2. Directors or managers	637.6	0	0
3. Other recipients	637.7	0	0

No. 1 Statement of intangible assets, investment property and investment securities

			Asset items concerned				Asset items concerned		Asset items concerned	
Names		Codes	B. Intangible assets	C.I. Land and buildings	C.II.1. Participations in affiliated entreprises	C.II.2. Notes, bonds and receivables in affiliated entreprises	C.II.3. Participations in entities with which there is a participation link	C.II.4. Notes, bonds and receivables in entities with which there is a participation link	C.III.1. Equities, shares and other variable income securities	C.III.2. Debt securities and other fixed income securities
			1	2	3	4	5	6	7	8
a) ACQUISITION VALUES										
During the previous financial year		08.01.01	15,207,946	0	6,436,159,584	1,046,154,619	29,927	65,767,070	93,996,314	741,140,988
Changes during the financial year:			39,482	0	102,166	(57,065,693)	193,846	0	32,246,237	205,621,285
- Acquired		8.01.021	39,482	0	102,166	0	193.846	0	32,246,237	208,187,091
- New start-up costs incurred		8.01.022	0	0	0	0	0	0	0	0
- Disposals and withdrawals	(-)	8.01.023	0	0	0	0	0	0	0	(2,043,000)
- Transfers to another category	(+)(-)	8.01.024	0	0	0	0	0	0	0	0
- Other changes	(+)(-)	8.01.025	0	0	0	(57,065,693)		0	0	(522,806)
During the financial year		08.01.03	15,247,428	0	6,436,261,750	988,592,941	223,773	65,767,070	126,242,551	946,762,273
b) CAPITAL GAINS										
During the previous financial year		08.01.04	0	0	0	0	0	0	0	0
Changes during the financial year:			0	0	0	0	0	0	0	0
- Recognised		8.01.051	0	0	0	0	0	0	0	0
- Acquired from third parties		8.01.052	0	0	0	0	0	0	0	0
- Cancelled	(-)	8.01.053	0	0	0	0	0	0	0	0
- Transfers to another category	(+)(-)	8.01.054	0	0	0	0	0	0	0	0
During the financial year		08.01.06	0	0	0	0	0	0	0	0
c) DEPRECIATION AND IMPAIRMENTS										
During the previous financial year		08.01.07	5,030,985	0	0	0	0	0	0	0
Changes during the financial year:			1,426,071	0	0	0	0	0	0	0
- Recognised		8.01.081	1,426,071	0	0	0	0	0	0	0
- Reversed as excess	(-)	8.01.082	0	0	0	0	0	0	0	0
- Acquired from third parties		8.01.083	0	0	0	0	0	0	0	0
- Cancelled	(-)	8.01.084	0	0	0	0	0	0	0	0
- Transfers to another category	(+)(-)	8.01.085	0	0	0	0	0	0	0	0
During the financial year		08.01.09	6,457,056	0	0	0	0	0	0	0
d) AMOUNTS NOT CALLED (Art. 29, § 1.)										
During the previous financial year		08.01.10	0	0	0	0	0	0	0	0
Changes during the financial year:	(+)(-)	08.01.11	0	0	0	0	0	0	0	0
During the financial year		08.01.12	0	0	0	0	0	0	0	0
e) CURRENCY CONVERSION SPREADS										
During the previous financial year	(+)(-)	08.01.13	0	0	0	(7,275,956)	0	0	0	0
Changes during the financial year:	(+)(-)	08.01.14	0	0	0	11,042,854	0	(4,910,349)	0	0
During the financial year	(+)(-)	08.01.15	0	0	0	3,766,898	0	(4,910,349)	0	0
NET CARRYING AMOUNT AT THE END OF THE FINANCIAL YEAR (a) + (b) - (c) - (d) +/- (e)		08.01.16	8,790,372	0	6,436,261,750	992,855,824	223,773	60,856,721	126,242,551	946,762,273

No. 2. Statement of participations and social rights held in other companies

The following are the companies in which the company has a participation within the meaning of the Royal Decree of 17 November 1994 (included in items C.II.1., C.II.3., D.II.1. and D.II.3. under assets) as well as other entities in which the company holds social rights (included in items C.III.1. and D.III.1. under assets) representing at least 10% of the subscribed capital.

NAME, full address of the HEADQUARTERS and for the companies under Belgian law, VAT NUMBER or NATIONAL NUMBER.	Social rights held – directly – Figures	Social rights held – directly – %	Social rights held – by the subsidiaries – %	Data from the latest available annual accounts – Annual accounts closed at	Monetary unit (*)	Equity (+) of (-) (in thousands of monetary units)	Net result (+) of (-) (in thousands of monetary units)
(*) as per official coding.							
Royal Park Investments NV Markiesstraat 1 B - 1000 Brussel NN 0807.882.811	4,306,667	51	0	31/12/2022	EUR	568	-261
Ageas Insurance International NV Markiesstraat 1 B - 1000 Brussel NN 0718.677.849	729,001,700	100	0	31/12/2022	EUR	5,783,085	514,107
Ageas Re Services Switzerland AG Genferstrasse 2 8002 Zürich CHE-437.728.090	100,000	100	0				-

No. 3. Present value of investments (art. 38)

Asset items	Codes	Amounts
C. Investments	08.03	9,469,972,922
I. Land and buildings	8.03.221	0
II. Investments in affiliated enterprises and participations	8.03.222	7.487.215.109
- Affiliated enterprises	8.03.222.1	7,426,929,935
1. Participating interests	8.03.222.11	6,436,261,750
2. Notes. bonds and receivables	8.03.222.12	990,668,185
- Undertakings linked by virtue of a participating interest	8.03.222.2	60,285,174
3. Participating interests	8.03.222.21	287,895
4. Notes. bonds and receivables	8.03.222.22	59,997,279
III. Other financial investments	8.03.223	1,180,276,394
1. Equities, shares and other variable income securities	8.03.223.1	130,070,694
2. Debt securities and other fixed income securities	8.03.223.2	850,180,238
3. Participating in investment pools	8.03.223.3	0
4. Loans and mortgages	8.03.223.4	0
5. Other loans	8.03.223.5	0
6. Deposits with credit institutions	8.03.223.6	200,025,462
7. Other	8.03.223.7	0
IV. Deposits with ceding undertakings	8.03.224	802,481,419

No. 3bis Information concerning the non-usage of the fair value measurement method

			Net book value	Fair value
A.	Estimation of fair value for each class of derivative financial instruments not measured based on fair value, stating the size, nature and hedged risk of the instruments			

			Net book value	Fair value
B.	For the financial fixed assets listed under headings C.II. and C.III. which are taken into account at an amount higher than their fair value: the net book value and the fair value of the individual assets or of appropriate groups of these individual assets.			
	C.II.2	Notes. bonds and receivables	673,614,592	646,336,354
	C.II.4	Notes. bonds and receivables	60,856,721	59,997,279
	C.III.1	Equities, shares and other variable income securities	61,433,381	58,375,725
	C.III.2	Debt securities and other fixed income securities	712,654,797	605,461,782

For each of the financial fixed assets referred to in B., or the appropriate groups of such individual assets referred to in B., which are taken into account at an amount higher than their fair value, the reasons why the book value has not been reduced must also be stated below, together with the nature of the indications underlying the assumption that the book value will be recoverable:

C.II.2 Notes. bonds and receivables: see valuation rules in statement No. 20 Valuation rules
C.II.4 Notes. bonds and receivables: see valuation rules in statement No. 20 Valuation rules
C.III.1 Equities, shares and other variable income securities: see valuation rules in statement No. 20 Valuation rules
C.III.2 Debt securities and other fixed income securities: see valuation rules in statement No. 20 Valuation rules

No. 4. Statement relating to other accruals and deferrals

	Amounts
Breakdown of asset item G.III if it represents a significant amount.	
Deferred charges	12,397,553

No. 5. Specifications of equity

	Codes	Amounts	Number of shares
A. SHARE CAPITAL			
1. Subscribed capital (liability item A.I.1.)			
- During the previous financial year	8.05.111.101	1,502,364,273	xxxxxxxxxxxxxxxxxxxxxxx
- Changes during the year	8.05.111.103		
- During the financial year	8.05.111.102	1,502,364,273	xxxxxxxxxxxxxxxxxxxxxxx
2. Presentation of capital			
2.1. Share classes under company law	8.05.1.20	1,502,364,273	187,971,187
2.2. Registered or dematerialised shares			
Registered	8.05.1.21	xxxxxxxxxxxxxxxxxxxxxxx	11,348,435
Dematerialised	8.05.1.22	xxxxxxxxxxxxxxxxxxxxxxx	176,622,752

	Codes	Uncalled amount (liability item A.I.2.)	Called amount (asset item E.I.V.)
B. UNPAID CAPITAL (art.51 - C.L.C.C.)			
Shareholders liable for payment	8.05.3		
TOTAL	8.05.2		

No. 5. Specifications of equity (cont.)

	Codes	Amount of share capital held	Corresponding number of shares
C. COMPANY SHARES held by			
- the company itself	8.05.3.1	121,128,026	3,081,354
- its subsidiaries	8.05.3.2	20,327,021	1,219,048
D. SHARE ISSUANCE OBLIGATIONS			
1. Following the exercise of CONVERSION rights			
- Amount of convertible loans outstanding	8.05.4.1		
- Amount of share capital to be subscribed	8.05.4.2		
- Corresponding maximum number of shares to be issued	8.05.4.3		
2. Following the exercise of SUBSCRIPTION rights			
- Number of subscription rights outstanding	8.05.4.4		
- Amount of share capital to be subscribed	8.05.4.5		
- Corresponding maximum number of shares to be issued	8.05.4.6		
3. Following payment of dividends in shares			
- Amount of share capital to be subscribed	8.05.4.7		
- Corresponding maximum number of shares to be issued	8.05.4.8		

No. 5. Specifications of equity (cont.)

	Codes	Amount	
E. AUTHORISED CAPITAL NOT SUBSCRIBED	8.05.5	150,000,000	

	Codes	Number of shares	Number of votes attached to it
F. NON-REPRESENTATIVE CAPITAL SHARES	8.05.6		
of which:			
- held by the company itself	8.05.6.1		
- held by subsidiaries	8.05.6.2		

No. 5. Specifications of equity (cont. and end)

G. THE SHAREHOLDER STRUCTURE OF THE COMPANY AT THE BALANCE SHEET DATE IS BROKEN DOWN AS FOLLOWS:

- shareholder structure of the company at the balance sheet date, as evidenced by the notifications received by the company pursuant to Article 631, §2, last paragraph, and Article 632, §2, last paragraph, of the Belgian companies code:
- shareholder structure of the company at the balance sheet date, as evidenced by the notifications received by the company pursuant to Article 14, fourth paragraph, of the Act of 2 May 2007 on the disclosure of major shareholdings or pursuant to Article 5 of the Royal Decree of 21 August 2008 on more detailed rules regarding certain multilateral trading facilities:

Main shareholders (above the statutory threshold of 3%) on 31/12/2023

- Fosun................................10.01%
- BlackRock Inc......................6.59%
- FPIM-SFPI 6.33%

On 31 December 2023 the members of the Board of Ageas SA/NV jointly held 68,611 shares of Ageas SA/NV.

No. 6. Statement of provisions for other risks and charges - other provisions

	Amounts
Breakdown of liability item E.III if it represents a significant amount.	
Provision Fortis settlement	0
Provision RPN(I)	398,400,000

No. 7. Statement of technical provisions and liabilities

a) Breakdown of amounts payable (or part of amounts payable) with a residual maturity of more than 5 years.

Liability items concerned	Codes	Amounts
B. Subordinated liabilities	8.07.1.12	1,746,561,580
I. Convertible bonds	8.07.1.121	
II. Non-convertible bonds	8.07.1.122	1,746,561,580
G. Debts	8.07.1.42	
I. Payables from direct insurance operations	8.07.1.421	
II. Reinsurance payables	8.07.1.422	
III. Unsubordinated bonds	8.07.1.423	
1. Convertible bonds	8.07.1.423.1	
2. Non-convertible bonds	8.07.1.423.2	
IV. Amounts payable to credit institutions	8.07.1.424	
V. Other amounts payable	8.07.1.425	
TOTAL	**8.07.1.5**	**1,746,561,580**

No. 7. Statement of technical provisions and liabilities (cont.)

(b) amounts payable (or part of the amounts payable) and technical provisions (or part of the technical provisions) guaranteed by real or irrevocably promised collateral against the assets of the entity.

Liability items concerned	Codes	Amounts
B. Subordinated liabilities	8.07.2.12	
I. Convertible bonds	8.07.2.121	
II. Non-convertible bonds	8.07.2.122	
C. Technical provisions	8.07.2.14	813,173,244
D. Technical provisions related to investment fund operations of the life' activities group when the risk of investment is not borne by the company	8.07.2.15	
G. Debts	8.07.2.42	
I. Payables from direct insurance operations	8.07.2.421	
II. Reinsurance payables	8.07.2.422	
III. Unsubordinated bonds	8.07.2.423	
1. Convertible bonds	8.07.2.423.1	
2. Non-convertible bonds	8.07.2.423.2	
IV. Amounts payable to credit institutions	8.07.2.424	
V. Other amounts payable	8.07.2.425	
- tax, salary and social liabilities	8.07.2.425.1	
a) taxes	8.07.2.425.11	
b) remuneration and social charges	8.07.2.425.12	
- finance lease and similar amounts payable	8.07.2.425.26	
- other	8.07.2.425.3	
TOTAL	**8.07.2.5**	**813,173,244**

No. 7. Statement of technical provisions and liabilities (cont. and end)

c) tax, salary and social liabilities

Liability items concerned	Codes	Amounts
1. Taxes (liability item G.V.1.a)		
a) tax liabilities - overdue	8.07.3.425.11.1	
b) tax liabilities – not overdue	8.07.3.425.11.2	48,485
2. Remuneration and social security charges (liability item G.V.1.b)		
a) Amounts due to the National Social Security Office	8.07.3.425.12.1	
b) Other salaries and social liabilities	8.07.3.425.12.2	7,678,485

No. 8. Statement of the composition of accruals and deferred income under liabilities

	Amounts
Breakdown of liability item H if it represents a significant amount.	
Accrued charges – Share plans	2,146,814
Accrued charges – Other	1,457,251
Accrued charges – Interests	30,358,576
	0
	33,962,641

No. 9. Assets and liabilities relating to the management on own account for the benefit of third parties of collective pension funds (art. 40)

Asset items and sub-items concerned (*)	Current period	Liability items and sub-items concerned (*)	Current period
TOTAL		**TOTAL**	

(*) with figures and letters relating to the wording of the item or sub-item concerned in the balance sheet (example : C.III.2. obligations and other fixed income securities).

No. 10. Information concerning the technical accounts

I. Non-life insurance

Name	Codes	Total	DIRECT BUSINESS				DIRECT BUSINESS					DIRECT BUSINESS		BUSINESS ACCEPTED
			Tot.	Accident & Health *lines 1 and 2*	Motor, Third Party liability *line 10*	Motor Other lines *lines 3 and 7*	Marine Aviation Transport *lines 4, 5, 6, 7, 11 and 12*	Fire and other damage to property *lines 8 and 9*	General Third Party Liability *line 13*	Credit and Security *lines 1 4 and 15*	Miscel-laneous pecuniary losses *line 16*	Legal protect-ion *line 17*	Assis-tance *line 18*	
		0	1	2	3	4	5	6	7	8	9	10	11	12
Gross premiums	8.10.01.710.1	1.807.194.778												1,807,194,778
Gross earned premiums	8.10.02	1.699.679.761												1,699,679,761
Gross cost of claims	8.10.03	989.554.672												989,554,672
Gross operating expense	8.10.04	596.607.353												596,607,353
Reinsurance balance	8.10.05	(85.777.785)												(85,777,785)
Commissions (art. 37)	8.10.06													

II. Life Insurance

Name	Codes	Amounts
A. Direct business		
1) Gross premiums:	8.10.07.720.1	0
a) 1. Individual premiums:	08.10.08	0
2. Premiums for group contracts:	08.10.09	0
b) 1. Periodic premiums:	08.10.10	0
2.Single premiums:	08.10.11	0
c) 1. Premiums from non profit-sharing contracts:	08.10.12	0
2. Premiums from profit-sharing contracts:	08.10.13	0
3. Contract premiums when the risk of investment is not borne by the company	08.10.14	0
2) Reinsurance balance	08.10.15	0
3) Commissions (art. 37)	08.10.16	0
B. Business accepted		399,223
Gross premiums:	8.10.17.720.1	399,223

III. Non-life and life insurance, direct business

Gross premiums:		
- in Belgium	08.10.18	
- in other EEC countries:	08.10.19	
- in other countries:	08.10.20	

No. 11. Statement on number of employees

As regards to staff:

A. The following data for the financial year and for the previous financial year relating to the employees recorded in the personnel register and linked to the company by an employment contract or a starter's job contract

Description		Codes	Current period	Previous period
a)	the total number on the closing date of the financial year	8.11.10	202	182
b)	the average number of employees employed by the company during the financial year and the previous financial year, calculated in full-time equivalents in accordance with Article 15, § 4 of the Companies Code, and broken down into the following categories	8.11.11	194	173
	- Management staff	8.11.11.1		
	- Employees	8.11.11.2	194	173
	- Workers	8.11.11.3		
	- Other	8.11.11.4		
c)	the numbers of hours worked	8.11.12	283,119	255,440

B. The following data for the financial year and for the previous financial year relating to temporary workers and the persons placed at the disposal of the company

Description		Codes	Current period	Previous period
a)	the total number on the closing date of the financial year	8.11.20	0	0
b)	the average number in full-time equivalents calculated in a similar way as the employees recorded in the personnel register	8.11.21	0	0
c)	the numbers of hours worked	8.11.22	0	392

No.12. Statement relating to all administrative and management costs, broken down by type

(An asterisk (*) to the right of the wording of an item or sub-item indicates that there is a definition or explanatory note in Chapter III of the Annex to the Decree)

Names	Codes	Amounts
I. Staff expenses*	8.12.1	3,592,308
1. a) Remuneration	8.12.111	3,592,308
b) Pensions	8.12.112	0
c) Other direct social benefits	8.12.113	0
2. Employer social insurance contributions	8.12.12	0
3. Allowances and employer's premiums for non-statutory insurance	8.12.13	0
4. Other staff expenses	8.12.14	0
5. Provisions for pensions, salaries and social security contributions	8.12.15	0
a) Provisions (+)	8.12.15.1	0
b) Uses and reversals (-)	8.12.15.2	0
6. Temporary staff or individuals made available to the company	8.12.16]	0
II. Miscellaneous goods and services*	8.12.2	5,112,415
III. Depreciation and amounts written down on intangible assets and property, plant and equipment other than investments*	8.12.3	0
IV. Provisions for other risks and charges*	8.12.4	0
1. Provisions (+)	8.12.41	0
2. Uses and reversals (-)	8.12.42	0
V. Other current expenses*	8.12.5	1,395,394
1. Operating tax expense*	8.12.51	0
a) Property withholding tax	8.12.511	0
b) Other	8.12.512	0
2. Contributions to public institutions*	8.12.52	0
3. Theoretical expenses*	8.12.53	0
4. Other	8.12.54	1,395,394
VI. Administrative expenses recovered and other current income (-)	8.12.6	0
1. Administrative expenses recovered	8.12.61	0
a) Fees received for collective pension fund management services on behalf of third parties	8.12.611	0
b) Other*	8.12.612	0
2. Other current income	8.12.62	0
TOTAL	**8.12.7**	**10,100,117**

As amended by Article 10, § 2 of the Royal Decree of 4 August 1996.

No. 13. Other income, other expenses

		Amounts
A.	**Breakdown of OTHER INCOME (item 7. of the non-technical account), if material.**	22,588,493
	- Re-invoicing staff expenses	13,502,529
	- Change provision Fortis Settlement	572,096
	- Other	8,513,869
B.	**Breakdown of OTHER EXPENSES (item 8. of the non-technical account), if material.**	179,801,200
	- Services & goods	69,840,728
	- Staff expenses	34,445,722
	- Depreciation on treasury shares	6,501,657
	- Depreciations	1,326,783
	- Costs related to foundations	3,208,591
	- Other	377,719
	- Provision compensation RPN(I)	64,100,000

No. 14. Extraordinary results

		Amounts
A.	**Breakdown of EXTRAORDINARY INCOME** (item 11. of the non-technical account), if material.	
B.	**Breakdown of EXTRAORDINARY EXPENSES** (item 12. of the non-technical account), if material.	

No. 15. Taxes on income

		Codes	Amounts
A.	**ITEM 15 a) 'Taxes':**	8.15.1.634	144,251
	1. Tax on income for the financial year	8.15.1.634.1	
	a. Advance payments and refundable prepayments	8.15.1.634.11	
	b. Other attributable assets	8.15.1.634.12	
	c. Excess of advance payments and/or refundable prepayments recorded as assets (-)	8.15.1.634.13	
	d. Estimated additional taxes (included in liability item G.V.1.a)	8.15.1.634.14	
	2. Tax on income for previous financial years	8.15.1.634.2	144,251
	a) Additional taxes due or paid:	8.15.1.634.21	144,251
	b) Estimated additional taxes (included in liability item G.V.1.a) or provisioned (included in liability item E.II.2.)	8.15.1.634.22	
B.	**PRINCIPAL SOURCES OF DISPARITIES BETWEEN PRE-TAX PROFIT, expressed in the accounts AND THE ESTIMATED TAXABLE PROFIT, with particular reference to those arising from time differences between accounting profit and taxable profit (to the extent that the result of the financial year is significantly affected in terms of taxes)**		
	Result before taxes		159,930,006
	Definitively taxed income (DTI)		(159,930,006)
C.	**IMPACT OF EXTRAORDINARY ITEMS ON THE AMOUNT OF TAX ON THE PROFIT/(LOSS) FOR THE FINANCIAL YEAR**		
D.	**SOURCES OF DEFERRED TAX (to the extent that these indications are** important for the assessment of the company's financial situation)		
	1. Deferred assets	8.15.4.1	13,623,699,757
	- Accumulated tax losses deductible from subsequent taxable profits	8.15.4.11	10,551,989,298
	- DTI deduction		3,071,710,460
	2. Deferred liabilities	8.15.4.2	

No. 16. Other taxes payable by third parties

	Codes	Amounts for the current period	Amounts for the previous period
A. Taxes:			
1. Taxes on insurance contracts borne by third parties	8.16.11		
2. Other taxes payable by the company	8.16.12		
B. Amounts withheld from third parties in respect of:			
1. Withholding tax on earned income	8.16.21	11,758,796	11,709,665
2. Withholding tax (on dividends)	8.16.22	144,722,896	208,674,483

No. 17. Off-balance sheet rights and commitments (Art. 14)

(An asterisk (*) to the right of the wording of an item or sub-item indicates that there is a definition or explanatory note in Chapter III of the Annex to the Decree of 17/11/1994)

	Codes	Amounts
A. Guarantees issued or irrevocably promised by third parties on behalf of the company*:	8.17.00	
B. Guarantees personally issued or irrevocably promised by the company on behalf of third parties*:	8.17.01	
C. Guarantees actually issued or irrevocably promised by the company on its own assets as a security for debts or commitments		
a) of the company:	8.17.020	813,173,244
b) of third-parties:	8.17.021	
D. Guarantees received* (non-cash):		
a) reinsurers' securities (see Chapter III, Definitions and explanatory notes: asset item C.III.1 and 2 and liability item F.):	8.17.030	
b) other:	8.17.031	
E. Forward markets*:		
a) securities transactions (purchases):	8.17.040	
b) securities transactions (sales):	8.17.041	
c) currency transactions (receivable):	8.17.042	
d) currency transactions (to be delivered):	8.17.043	
e) interest rate transactions (purchases, etc.) :	8.17.044	
f) interest rate transactions (sales, etc.) :	8.17.045	
g) other operations (purchases, etc.) :	8.17.046	
h) other operations (sales, etc.) :	8.17.047	
F. Property and securities of third parties held by the company*:	8.17.05	
G. The nature and business purpose of off-balance sheet transactions, and the financial impact of such transactions, provided that the risks or rewards arising from such transactions are material and to the extent that the disclosure of such risks or rewards is necessary for the assessment of the company's financial situation.	8.17.06	
G^{bis} The nature and financial impact of material events occurring after the balance sheet date that are not reflected in the income statement or balance sheet: Please refer to note 36 – Events after the date of the statement of financial position in the Ageas's Consolidated Financial Statements.	8.17.06B	
H. Other (please specify): Credit lines received	8.17.07	500,000,000

No. 18. Relations with affiliates and entities with which there is a participating interest

Balance sheet items concerned		Codes	Affiliated entreprises Current period	Affiliated entreprises Previous period	Entities with a participation link Current period	Entities with a participation link Previous period
C. II.	**Investments in affiliated enterprises and participations**	8.18.222	7,429,117,574	7,476,370,192	61,080,494	65,796,996
	1 + 3 Participations	8.18.222.01	6,436,261,750	6,436,159,584	223,773	29,927
	2 + 4 Notes, bonds and receivables	8.18.222.02	992,855,824	1,040,210,608	60,856,721	65,767,070
	- subordinated	8.18.222.021	572,757,871			
	- other	8.18.222.022	420,097,953	1,040,210,608	60,856,721	65,767,070
D. II.	**Investments in affiliated enterprises and participations**	8.18.232				
	1 + 3 Participations	8.18.232.01				
	2 + 4 Notes, bonds and receivables	8.18.232.02				
	- subordinated	8.18.232.021				
	- other	8.18.232.022				
E.	**Receivables**	8.18.41	80,238,062	457,819,119		
	I. Receivables from direct insurance operations	8.18.411				
	II. Receivables from reinsurance operations	8.18.412	42,119,937	82,377,116		
	III. Other receivables	8.18.413	38,118,125	375,442,003		
F.	**Subordinated liabilities**	8.18.12				
G.	**Debts**	8.18.42	36,384,885	47,190,805		
	I. Direct insurance payables	8.18.421				
	II. Reinsurance payables	8.18.422	36,387,885	47,190,805		
	III. Unsubordinated bonds	8.18.423				
	IV. Debt owed to credit institutions	8.18.424				
	V. Other amounts payable	8.18.425				

No. 18. Relations with affiliates and entities with which there is a participating interest (continuation and end)

	Codes	Associates Current period	Associates Previous period
- PERSONAL AND ACTUAL GUARANTEES, constituted or irrevocably promised by the company as security for debts or commitments of associates	8.18.50		
- PERSONAL AND ACTUAL GUARANTEES, constituted or irrevocably promised by associates as security for debts or commitments of the company	8.18.51		
- Other significant financial commitments	8.18.52		
- Income from land and buildings	8.18.53		
- Income from other investments	8.18.54	21,457,879	16,920,255

No. 19. Financial relations with:

A. the directors or managers;
B. natural or legal persons who directly or indirectly control the entity without being linked to it;
C. other entities controlled directly or indirectly by the persons listed under B.

	Codes	Amounts
1. Receivables from the aforementioned persons	8.19.1	
2. Guarantees given in their favour	8.19.2	
3. Other significant commitments undertaken in their favour	8.19.3	
4. Direct and indirect remuneration and pensions allocated, charged to the income statement,		
- to the directors and managers	8.19.41	7,037,299
- to the former directors and former managers	8.19.42	
The interest rate, the main conditions and any amounts redeemed or written off that have been waived relating to points 1., 2. and 3. above.		

No. 19bis Financial relations with:

The statutory auditor(s) and their associates

	Codes	Amounts
1. Fees of the statutory auditor(s)	8.19.5	906,423
2. Fees for exceptional services or special missions performed within the company by the statutory auditor(s)	8.19.6	273,982
- Other attestation missions	8.19.61	273,982
- Tax consultancy	8.19.62	0
- Other missions external to the audit	8.19.63	0
3. Fees for exceptional services or special missions performed within the company by persons with whom the statutory auditor(s) is (are) linked	8.19.7	0
- Other audit missions	8.19.71	0
- Tax consultancy missions	8.19.72	0
- Other missions outside the audit mission	8.19.73	0
Indication in application of Article 133 §6 of the Companies Code		

No. 20. Valuation rules

(This statement is covered in particular by articles: 12 bis, § 5; 15; 19, paragraph 3; 22bis, paragraph 3; 24, paragraph 2; 27, 1°, last paragraph and 2°, last paragraph; 27 bis, § 4, last paragraph 3; 28, § 2, paragraph 1 and 4; 34, paragraph 2; 34 quinquies, paragraph 1; 34 sexies, 6°, last paragraph; 34 septies, § 2 and Chapter III. 'Definitions and explanatory notes', Section II, item 'notional rent').

A. Rules governing valuations in the inventory (excluding investments in asset item D.)

1. Formation and depreciation adjustments
2. Write-downs
3. Provisions for risks and charges
4. Technical provisions
5. Revaluations
6. Other

B. Rules governing valuations in the inventory with respect to investments in asset item D.

1. Investments other than land and buildings
2. Land and buildings
3. Other

These accounting principles are defined in accordance with the Royal Decree of 17 November 1994 on the annual accounts of insurance and reinsurance companies.

Formation expenses

Expenses relating to a capital increase are amortized over a maximum period of 5 years. Borrowing costs are amortized over the shorter of the first call date or the lifetime of the loan.

Intangible assets

Purchased computer software is accounted for at acquisition value, less accumulated amortization. These assets are amortized over a period of 5 years.

Investments in affiliated enterprises and participations

Investments in affiliated enterprises and participations are accounted for at acquisition value, including transaction expenses, less any accumulated impairment losses.

An impairment loss on participating interests, shares or interests equivalent to shares, included in this section of the balance sheet, is recognized in case of durable reduction in value justified by the financial position, profitability or future prospects of the company in which the participating interests or shares are held. Impairment losses are reversed to the extent that at the reporting date they are higher compared to what is required by a current assessment.

Impairments on receivables and fixed-income securities are applied when uncertainty exists at the reporting date with regard the payment (partial or in full) of the receivables.

Other financial investments

Equities, shares and other variable income securities are accounted for at acquisition value, less accumulated impairment losses. Directly attributable transaction costs are recorded in the income statement of the financial year in which the acquisition was performed. At reporting date, the shares are subject to an assessment in order to determine whether the unrealized losses are durable based on their prolonged decline and the evolution of the stock markets.

For listed shares and other equivalent interests, an impairment is automatically accounted for if the stock price on the reporting date has declined by 25% or more in comparison to its acquisition value during 365 consecutive days on the balance sheet date. If during the financial year a share price is established that exceeds 75% of the acquisition value, a reversal of the impairment is recorded equal to the impairment losses previously recorded. If during the financial year the share price has not yet reached 75% of the acquisition value but leads to a higher value than the book value on the closing date, a reversal of the impairment will be recorded equal to the difference between the share price on the closing date and the book value. For non-listed shares and participating interests, a valuation is made similar to the one on participating interests in affiliated companies and participations as explained above, based on the intrinsic value.

Bonds, receivables, loans and other fixed-income securities are accounted for at acquisition value, excluding directly attributable acquisition costs less accumulated impairment losses. If, the effective interest rate calculated at acquisition date, taking into account the amount payable at maturity, differs from the nominal rate, the difference between the acquisition value and the amount payable at maturity is accounted for in the income statement on a pro rata temporis basis over the remaining term of the financial assets as a component of the interest income from these assets and, depending on the situation, added to or deducted from the acquisition value of the financial assets. Directly attributable costs are recognized in the income statement of the financial year in which they are incurred.

The prospective evaluation of this risk is carried out periodically, including at the end of the financial year, based on facts indicating significant financial difficulties on the part of the issuer/debtor,
which usually manifest themselves in the form of significant delays in contractual payments.

Realised gains and losses from the sale of fixed-income securities pertaining to arbitrage transactions may be spread in income together with the future revenues of the securities acquired or sold in the context of the arbitrage.

Deposits with ceding entities

Deposits with ceding entities include receivables on the ceding companies which correspond to the guarantees given to or withheld from these companies or from a third party.

Impairment losses are recognized in accordance with the above described valuation rules for "other financial investments - bonds, receivables, loans and other fixed-income securities".

Receivables

Receivables are accounted at their nominal value or acquisition value, as appropriate. Receivables are subject to write-downs to the extent that there is a risk that the debtor will not or not entirely fulfil his obligations. The prospective evaluation of this risk is carried out periodically, including at the end of the financial year, based on facts indicating significant financial difficulties on the part of the issuer/debtor,
which usually manifest themselves in the form of significant delays in contractual payments.

Tangible fixed assets

Electronic equipment, furniture and furnishing are measured at acquisition value, less accumulated depreciation and any accumulated impairment losses. Furniture and electronic equipment is depreciated over a period of 3 years. Furnishing is depreciated over a period of 9 years.

Cash and cash equivalents

Impairment losses are recognised on cash and cash equivalents when the recoverable amount at reporting date is lower than the nominal value.

Treasury shares

With respect to treasury shares presented on the asset side of the balance sheet a reserve not available for distribution is set up, equal to the value for which the purchased shares are registered. At reporting date an impairment loss is recorded when the fair value is below acquisition value.

Foreign currency transactions and foreign currency translation of monetary assets and liabilities

Transactions in foreign currency are translated into EUR using the exchange rate at the transaction date. Monetary assets and liabilities in foreign currencies are translated into EUR using the exchange rates at reporting date. The gains or losses arising from this translation, and realized exchange rate differences, are recognized in the income statement. Translation differences related to technical provisions denominated in foreign currency, are included in the item "Other technical charges, gross of reinsurance" in the technical account "non-life insurance".

Subordinated liabilities

Subordinated liabilities are initially recognized at fair value. If the effective interest rate calculated at the issuance date differs from the nominal interest rate, taking into account the amount payable at maturity, the difference between the initial fair value and the amount payable at maturity is included in the income statement on a pro rata temporis basis over the remaining term of the liability as a component of the interest cost, and depending on the situation, added to or deducted from the initial fair value.

Technical provisions

The provision for unearned premiums represents that portion of the assumed reinsurance premiums received that relates to the next financial year or subsequent financial years to cover claims and administration costs. The provision for unearned premiums is, in principle, calculated according to the pro rata temporis method.

A provision for premium deficiency is established to supplement the provision for unearned premiums when it appears that the estimated claims and administrative costs relating to current and renewed contracts will be higher than the total of the unearned premium provision related to these agreements.

The claims provision is based on the estimated ultimate cost of settling all claims, whether reported or not, that are incurred up to the end of the financial year, less the amounts that have already been paid in respect of such claims. The provision is determined separately for each assumed reinsurance contract based on the information communicated by the ceding companies per product category, coverage and year and all other available elements. If necessary, the provision is supplemented on the basis of available statistical information.

The equalization and catastrophe provision is a regulatory provision recognized with the aim of either compensating for the non-recurring technical loss in the coming years or leveling the fluctuations in the claims ratio. The target amount of the provision is determined according to the lump sum method (National Bank of Belgium - communication D151).

Provisions for other risks and charges

Provisions for other risks and charges are intended to cover, by their nature, clearly defined losses or costs that are probable or certain at the reporting date, however for which the amount is not fixed. The provisions for other risks and charges must meet the principles of prudence, sincerity and good faith.

The provision for other risks and charges are set up on an individual basis according to the risks and charges they intend to cover.

Provisions for pensions and similar obligations

For its employees the Company set up pension plans of the type “defined benefits” and "defined contribution", with a minimum return guaranteed by law. The first are subject to additional provisions within the technical provisions recognized on the balance sheet. The additional provisions reflect the obligations specific to the employer and are accounted for according to accounting principles similar to IAS 19. The Company accounts for the defined contribution pension plans in accordance with the intrinsic value method. According to this method, the pension obligation is based on the sum of the positive differences between the minimum legal reserve, on the calculation date (calculated by capitalizing past contributions at the minimum guaranteed return rate, as defined in Article 24 of the law on occupational pensions (WAP/LPC), up to the calculation date) and the actual accrued reserves (the reserves are calculated by capitalising the past contributions at the technical interest rate, taking into account profit sharing up to the calculation date).

No. 21. Amendments to the valuation rules (art. 16)(art. 17)

A. Statement of changes and the reasoning behind those changes

Rules regarding depreciation and reversal of depreciation on shares and equivalent units

- From the 2023 financial year, a change was made to estimate impairments and reversal of impairments for listed shares and units.
- Under the former valuation rule, an impairment was recorded if the market value was at least 25% lower than the acquisition value of the share OR when the market value was lower than the acquisition value for 365 consecutive days.
- Under to the new valuation rule, both conditions are combined, which means that an impairment is recorded if the stock price is at least 25% lower than
- the acquisition value for 365 consecutive days. The rules for the reversal of impairments have been adjusted accordingly.
- This change is justified as it is considered a better approach to determine the durable nature of the depreciation. This change in estimate had no impact on the profit or loss of the year nor would it have any impact on the profit or loss of the previous year.

B. Difference in estimate resulting from the changes
(to be indicated for the first time for the financial year during which these changes were made)

Items and sub-items concerned (*)	Amounts	Items and sub-items concerned (*)	Amounts
223.1 Equities, shares and other variable income securities	0		

(*) with figures and letters relating to the wording of the item or sub-item concerned in the balance sheet (example : CIII.2. Bonds and other fixed income securities)

No. 22. Declaration relating to the consolidated financial statements

A. Information to be completed by all companies.

- The company prepares and publishes consolidated accounts and a consolidated management report in accordance with the provisions of the Royal Decree on the consolidated accounts of insurance and reinsurance companies:
  yes/~~no~~ (*):

- ~~The company does not prepare consolidated accounts or a consolidated management report for the following reason(s) (*):~~
  * ~~the company does not control, alone or jointly, one or more subsidiaries under Belgian or foreign law~~
  ~~yes~~/no (*):

  * ~~the company is itself a subsidiary of a parent company that prepares and publishes consolidated accounts:~~
  ~~yes~~/no (*):

- ~~Substantiation of compliance with the conditions laid down in Article 8(2) and (3) of the Royal Decree of 6 March 1990 on the consolidated accounts of companies:~~

- ~~Name, full address of the headquarters and for a company under Belgian law, VAT number or the national number of the parent company that prepares and publishes consolidated accounts under which the exemption is authorised:~~

(*) Delete where appropriate.

No. 22. Declaration relating to the consolidated financial statements (cont. and end).

B. Information to be completed by the company if it is a joint subsidiary.

- Name, full address of the headquarters and for a company under Belgian law, VAT number or the national number of the parent company(ies) and an indication of whether the parent company(ies) prepare(s) and publish(es) consolidated accounts in which its annual accounts are consolidated(**):

- If the parent company(ies) is (are) incorporated abroad, the location where the consolidated accounts referred to above can be obtained (**):

(**) If the accounts of the company are consolidated at more than one level, the information shall be given first for the largest group and then for the smallest group of companies of which the company is a subsidiary and for which consolidated accounts are drawn up and published.

No. 23. Additional information to be provided by the company on the basis of the present decree of 17 November 1994.

The company shall mention any additional information that may be required:

- by articles:
  2 bis; 4, paragraph 2; 10, paragraph 2; 11, paragraph 3; 19, paragraph 4; 22; 27 bis, § 3, last paragraph; 33, paragraph 2; 34 sexies, § 1, 4°; 39.

- Chapter III, Section I of the Annex:
  for asset items C.II.1., C.II.3, C.III.7.c) and F.IV.
  and
  for liability item C.I.b) in C.IV.

Indication in application of Article 27bis, §3, last paragraph:
The impact on the income statement for 2023, pro rata temporis over the remaining life of the securities, of the difference between the acquisition cost and the redemption value represents an income of EUR 5,141,587.

RPN(I) Valuation

Ageas applies a transfer notion to arrive at the fair value of the RPN(I) liability. Fair value is defined in IFRS 13 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The definition is explicitly described as an exit price, linked with the price 'paid to transfer a liability'. When such pricing is not available and the liability is held by another entity as an asset, the liability needs to be valued from the perspective of the market participant that holds the asset. Ageas values its liability at the reference amount.

The RPN reference amount is based on the price of the CASHES and the price of the Ageas share. The reference amount increased from EUR 334.3 million at the end of 2022 to EUR 398.4 million on 31 December 2023", mainly as a result of a rise in the CASHES price from 79.17% to 86.00% in 2023, and a decrease in the Ageas share price from EUR 41.42 to EUR 39.31 over the same period.

Contingent liabilities related to legal proceedings

Please refer to the note 28 'Contingent liabilities' in the Ageas's Consolidated Financial Statements.

No. 24. Transactions carried out by the entity with related parties at non-market conditions.

The company shall disclose transactions with related parties, including the amount of such transactions, the nature of the relationship with the related party and any other information on the transactions that would be necessary for the assessment of the company's financial position, where such transactions are material and have not been concluded under normal market conditions.

The above information may be aggregated by their nature except where separate information is necessary to understand the effects of related party transactions on the financial position of the company.

This information is not required for transactions that take place between two or more members of a group, provided that the subsidiaries that are parties to the transaction are wholly owned by such member.

The term "related parties" has the same meaning as in the International Accounting Standards adopted in accordance with Regulation (EC) 1606/2002.

NIHIL. For the purposes of this appendix, the concept of 'market conditions' has been equated with the concept of 'on an arm's length basis used by the international reporting standards IFRS.

Conflict of interest

Due to a conflict of interest, extracts of the minutes of the meetings are included in the Report of the Board of Directors attached to the statutory financial statements of Ageas SA/NV.

Board meeting of 12 December

Conflict of interest for the members of the Executive Committee and remuneration of the Chairman of the Board

Mr. De Smet informed the Board that the members of the Executive Committee, except for Hans De Cuyper, will be asked to leave the meeting for the reports on the Nomination and Corporate Governance Committee and for the report on the Remuneration Committee. He also mentioned that he will leave the meeting for the discussion relating to the review of the remuneration of the Chairman of the Board.

Statutory Report

Statutory Auditor's Report
to the general shareholders' meeting of Ageas
on the annual accounts for the year ended 31 December 2023

We present to you our Statutory auditor's report in the context of our statutory audit of the annual accounts of Ageas (the "Company"). This report includes our report on the annual accounts, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as Statutory auditor by the General meeting d.d. 19 May 2021, following the proposal formulated by the Board of directors and following the recommendation by the Audit committee. Our mandate will expire on the date of the General meeting which will deliberate on the annual accounts for the year ended 31 December 2023. We have performed the statutory audit of the Company's annual accounts for six consecutive years.

Report on the annual accounts

Unqualified opinion

We have performed the statutory audit of the Company's annual accounts, which comprise the balance sheet as at 31 December 2023, and the profit and loss account for the year then ended, and the notes to the annual accounts, characterised by a balance sheet total of EUR 10,084,391,077 and a profit and loss account showing a profit for the year of EUR 159,785,755.

In our opinion, the annual accounts give a true and fair view of the Company's net equity and financial position as at 31 December 2023, and of its results for the year then ended, in accordance with the financial-reporting framework applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB which are applicable to the year-end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the "Statutory auditor's responsibilities for the audit of the annual accounts" section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the annual accounts in Belgium, including the requirements related to independence.

We have obtained from the Board of directors and Company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

A key audit matter is this matter that, in our professional judgement, is of most significance in our audit of the annual accounts of the current period. This matter was addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Adequacy of the amount of the technical provisions

Description of the key audit matter

As per 31 December 2023, the technical provisions amount to EUR 1,964,357,567. For detailed information regarding the valuation of the technical provisions, please refer to Note 20 to the annual accounts (point “technical provisions”). The provisions are determined based on the information communicated by ceding companies, which are mainly subsidiaries of the Company.

The adequacy test of technical provisions is based on actuarial techniques. It is relatively complex in that it is based on a number of assumptions that require significant judgement regarding future events. The latter may be influenced by future economic or business conditions as well as by laws and regulations specific to the insurance sector.

The assumptions used within the adequacy test depend mainly on the amounts paid for claims, the number of claims incurred but not yet reported and claims expenses.

The aforementioned different elements, combined with the possible uncertainty related to modelling techniques and the discretionary nature of the assumptions used in the adequacy test, are the main reasons why we considered this topic as a key audit matter.

Our audit procedurs related to the key audit matter

We carried out verifications regarding the operational effectiveness of the controls implemented by the subsidiaries of the Company in order to ensure the quality of the data used within the adequacy test of technical provisions.

We have independently recalculated the best estimate of claims reserves based on recognised actuarial techniques. We then compared our results with those of the Company and obtained satisfying documentation regarding the significant differences observed.

Finally, we corroborated our conclusions with the Company’s actuarial function.

Based on the aforementioned audit procedures, we believe that the assumptions used in the adequacy test of technical provisions are reasonable in relation to the current market conditions and the technical results of the past financial year.

Responsibilities of the Board of directors for the preparation of the annual accounts

The Board of directors is responsible for the preparation of annual accounts that give a true and fair view in accordance with the financial-reporting framework applicable in Belgium, and for such internal control as the Board of directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of directors is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Statutory auditor’s responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the annual accounts in Belgium. A statutory audit does not provide any assurance as to the Company’s future viability nor as to the efficiency or effectiveness of the Board of directors’ current or future business management. Our responsibilities in respect of the use of the going concern basis of accounting by the Board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of directors.
- conclude on the appropriateness of the Board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Statutory auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Statutory auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit committee, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the Board of directors

The Board of directors is responsible for the preparation and the content of the directors' report, of the documents required to be deposited by virtue of the legal and regulatory requirements, as well as for the compliance with the legal and regulatory requirements regarding bookkeeping, with the Companies' and Associations' Code and the Company's articles of association.

Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report, certain documents required to be deposited by virtue of legal and regulatory requirements, as well as compliance with the articles of association and of certain requirements of the Companies' and Associations' Code, and to report on these matters.

Aspects related to the directors' report

In our opinion, after having performed specific procedures in relation to the directors' report, the directors' report is consistent with the annual accounts for the year under audit, and it is prepared in accordance with the articles 3:5 and 3:6 of the Companies' and Associations' Code.

In the context of our audit of the annual accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

The non-financial information required by virtue of article 3:6, §4 of the Companies' and Associations' Code is included in the directors' report. The Company has prepared the non-financial information, based on the Global Reporting Initiative (GRI) Universal Standards. However, in accordance with article 3:75, §1, 6° of the Companies' and Associations' Code, we do not express an opinion as to whether the non-financial information has been prepared in accordance with said framework as disclosed in the director's report to the annual accounts.

Statement related to the social balance sheet

The social balance sheet, to be deposited in accordance with article 3:12, §1, 8° of the Companies' and Associations' Code, includes, both in terms of form and content, the information required under this Code, including, but not limited to, in relation to salaries and education, and does not present any material inconsistencies with the information we have at our disposition in our engagement.

Statements related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the annual accounts and our registered audit firm remained independent of the Company in the course of our mandate.
- The fees for additional services which are compatible with the statutory audit of the annual accounts referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemised in the notes to the annual accounts.

Other statements

- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting complies with the legal provisions and the provisions of the articles of association.
- There are no transactions undertaken or decisions taken in breach of the Company's articles of association or the Companies' and Associations' Code that we have to report to you.
- This report is consistent with the additional report to the Audit committee referred to in article 79 of the law of 13 March 2016 on the legal status and supervision of insurance or reinsurance companies, which makes reference to article 11 of the Regulation (EU) N° 537/2014.
- We have evaluated the property effects resulting from the decisions of the Board of directors dated 12 December 2023 as described in the section "Conflict of interest" included in the annual report and we have no additional remarks to make in this respect.
- By virtue of article 7:213 of the Companies' and Associations' Code, during the year an interim dividend has been distributed in relation to which we have prepared the attached report, in accordance with the legal requirements.

Diegem, 10 April 2024

The Statutory auditor
PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV
Represented by

Kurt Cappoen*
Réviseur d'Entreprises / Bedrijfsrevisor

** Acting on behalf of Kurt Cappoen BV / SRL*

Appendix:
Statutory auditor's review report on the statement of assets and liabilities in connection with the distribution of an interim dividend (art. 7:213 of the Companies' and Associations' Code)).

To the attention of the board of directors

Statutory auditor's review report of Ageas SA/NV on the statement of assets and liabilities in connection with the distribution of an interim dividend (art. 7:213 cac)

In our capacity of statutory auditor, we issue our review report on the statement of assets and liabili-ties as of 30 June 2023 to the board of directors of Ageas SA/NV (hereafter "Company"), in accord-ance with article 7:213 of the Companies' and Associations' Code (hereafter "CAC") and the Compa-ny's articles of Articles of Association.

We have performed the review of the accompanying statement of assets and liabilities of the Com-pany as of 30 June 2023 prepared in accordance with the financial reporting framework applicable in Belgium.

Responsibility of the board of directors for the preparation of the statement of assets and liabilities

The board of directors is responsible for the preparation of this statement of assets and liabilities of the Company as of 30 June 2023 in accordance with the financial reporting framework applicable in Belgium and with the principles of article 3:1, §1, 1° CAC, and for the compliance with the require-ments of article 7:213, 2° of the Companies' and Associations' Code.

Responsibility of the statutory auditor

We are responsible for formulating a conclusion on the statement of assets and liabilities based on our review. We conducted our review in accordance with ISRE 2410, "Review of Interim Financial In-formation Performed by the Independent Auditor of the Entity". Such review of the Statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and apply-ing analytical and other review procedures. A review is substantially less in scope than an audit con-ducted in accordance with International Standards on Auditing. Consequently, a review does not ena-ble us to obtain assurance that we would become aware of all material matters that might be identified in an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompa-nying statement of assets and liabilities of the Company as of 30 June 2023, showing a balance sheet total of EUR 10.287.665.913 and retained earnings of EUR 1.264.745.796, has not been pre-pared, in all material respects, in accordance with the financial reporting framework applicable in Bel-gium.

Limitation of use of our report

This report is prepared solely to address the requirements of article 7:213 of the Companies' and As-sociations' Code, and may not be used for any other purpose.

Diegem, 29 August 2023

The statutory auditor
PwC Bedrijfsrevisoren BV/PwC Reviseurs d'Entreprises SRL
represented by

Kurt Cappoen
Bedrijfsrevisor / Réviseur d'Entreprises

Appendix:

Statement of assets and liabilities as of 30 June 2023

Annex to the Royal Decree on the annual accounts of insurance companies
Chapter I. Structure of the annual accounts
Section I. Balance sheet at 30/06/2023 (in Euro units)

Assets	Codes	30/06/2023	31/12/2022
A. -	-		
B. Intangible assets (statement 1)	**21**	9.503.408	10.176.961
I. Formation expenses	211	9.463.926	10.176.962
II. Intangible assets	212	39.482	0
1. Goodwill	212.1	0	0
2. Other intangible assets	212.2	39.482	0
3. Advances paid	212.3	0	0
C. Investments (statements 1, 2 and 3)	**22**	9.457.414.903	9.357.256.926
I. Land and buildings (statement 1)	221	0	0
1. Buildings used by the company as part of its own business	221.1	0	0
2. Other	221.2	0	0
II. Investments in affiliated enterprises and participations	222	7.542.464.485	7.542.167.188
Affiliated entreprises	222.1	7.481.508.241	7.476.370.192
1. Participating interests	222.11	6.436.261.750	6.436.159.584
2. Notes, bonds and receivables	222.12	1.045.246.492	1.040.210.608
- Other companies with which there is a participation link	222.2	60.956.243	65.796.996
3. Participating interests	222.21	29.927	29.927
4. Notes, bonds and receivables	222.22	60.926.317	65.767.070
III. Other financial investments	223	1.143.283.475	1.026.159.457
1. Equities, shares and other variable income securities (statement 1)	223.1	94.142.495	93.996.314
2. Bonds and other Fixed income securities(statement 1)	223.2	858.179.728	741.140.988
3. Shares in investment funds	223.3	0	0
4. Loans and mortgages	223.4	0	0
5. Other loans	223.5	936.067	0
6. Deposits with other credit institutions	223.6	190.025.186	191.022.155
7. Other	223.7	0	0
IV. Deposits with ceding entities	224	771.666.943	788.930.280
D. Investments related to operations related to an investment fund of the "life" business group, and whose investment risk is not borne by the company	**23**	0	0
Dbis. Reinsurers' share of technical provisions	**24**	118.016.522	60.030.229
I. Provisions for unearned			0
premiums and current risks	241	55.387.580	1.550.132
II. Life insurance provision	242	0	0
III. Claims provision	243	62.628.942	58.480.097
IV. Provision for participations in Profit and restorno	244	0	0
V. Other technical provisions	245	0	0
VI. Provisions related to operations related to an investment fund of the "life" business group when the investment risk is not borne by the company	246	0	0
E. Receivables (statements 18 and 19)	**41**	415.907.960	470.465.958
I. Receivables from direct insurance operations	411	13.613.050	0
1. Policyholders	411.1	13.613.050	0
2. Insurance intermediaries	411.2	0	0
3. Other	411.3	0	0
II. Receivables from			0
reinsurance	412	74.561.486	82.377.116
III. Other receivables	413	327.733.424	388.088.842
IV. Subscribed capital, called but not paid up	414	0	0
F. Other assets	**25**	247.841.115	281.643.587
I. Property, plant and equipment	251	13.418.278	8.669.199
II. Liquid assets	252	106.780.652	72.433.002
III. Treasury shares	253	127.629.683	200.528.883
IV. Other	254	12.503	12.503
G. Deferred charges and accrued income (statement 4)	***431/433***	38.982.005	45.094.664
I. Accrued interest and rent	431	18.872.514	26.515.456
II. Acquisition costs carried forward	432	0	0
1. Non-life insurance operations	432.1	0	0
2. Life insurance operations	432.2	0	0
III. Deferred charges and accrued income	433	20.109.492	18.579.209
Total	***21/43***	10.287.665.913	10.224.668.325

Liabilities	Codes	30/06/2023	31/12/2022
A. Shareholders' equity (statement 5)	**11**	5.871.250.738	6.009.238.490
I. Subscribed capital or fund equivalent, net of capital uncalled	111	1.502.364.273	1.502.364.273
1. Subscribed capital	111.1	1.502.364.273	1.502.364.273
2. Uncalled capital (-)	111.2	(0)	(0)
II. Share premium reserve	112	2.050.976.359	2.050.976.359
III. Capital gain from revaluation	113	0	0
IV. Reserves	114	1.053.164.311	1.126.063.511
1. Legal reserve	114.1	150.236.427	150.236.427
2. Reserves not available for distribution	114.2	148.576.762	221.475.962
a) for treasury shares	114.21	148.576.762	221.475.962
b) other	114.22	0	0
3. Untaxed reserves	114.3	0	0
4. Reserves available for distribution	114.4	754.351.122	754.351.122
V. Result carried forward	115	1.264.745.796	1.329.834.347
1. Profit carried forward	115.1	1.264.745.796	1.329.834.347
2. Loss carried forward (-)	115.2	(0)	(0)
VI. -	-	0	0
B. Subordinated liabilities (statements 7 and 18)	12	1.746.278.095	1.745.994.610
B a. Funds for future provisions	**13**	0	0
C. Technical provisions	**14**	1.911.583.890	1.744.043.421
I. Provisions for unearned premiums and current risks	141	448.501.907	315.214.060
II. Life insurance provision	142	0	0
III. Claims provision	143	1.317.605.719	1.285.460.405
IV. Provision for participations in profits and dividends	144	86.888.153	84.780.845
V. Provision for equalisation and disasters	145	58.588.111	58.588.111
VI. Other technical provisions	146	0	0
D. Relative technical provisions to transactions related to a fund of the group's investment of 'life' activities when the risk of investment is not borne by the company (statement 7)	**15**	0	0
E. Provisions for other risks and expenses	**16**	402.811.962	335.622.096
I. Provisions for pensions and similar obligations	161	0	0
II. Provisions for taxes	162	0	0
III. Other provisions (statement 6)	163	402.811.962	335.622.096
F. Deposits received from reinsurers	17	0	0
G. Payables (statements 7 and 18)	**42**	337.795.645	355.657.557
I. Payables from direct insurance operations	421	0	0
II. Reinsurance payables	422	35.410.069	53.170.029
III. Unsubordinated bonds	423	0	0
1. Convertible bonds	423.1	0	0
2. Non-convertible bonds	423.2	0	0
IV. Amounts payable to credit institutions	424	0	0
V. Other amounts payable	425	302.385.575	302.487.528
1. Tax, salary and social liabilities	425.1	7.531.910	7.666.213
a) Taxes	425.11	26.435	26.435
B) Remuneration and social charges	425.12	7.505.474	7.639.778
2. Other	425.2	294.853.666	294.821.315
H. Accrued charges and deferred income (statement 8)	***434/436***	17.945.583	34.112.151
Total	***11/43***	10.287.665.913	10.224.668.325

E

Other information

Forward-looking statements to be treated with caution

Some of the statements contained in this Annual Report refer to future expectations and other forward-looking perceptions that are based on management's current views, estimates and assumptions concerning future events. These forward-looking statements are subject to certain risks and uncertainties, which means actual results, performance or events may differ substantially from what those statements express or imply, including but not limited to our expectations regarding the level of provisions relating to our credit and investment portfolios.

Other more general factors that may impact our results include but are not limited to:

- general economic conditions;
- changes in interest rates and the performance of financial markets;
- frequency and severity of insured loss events;
- mortality, morbidity and persistency levels and trends;
- foreign exchange rates, including euro / US dollar exchange rate;
- changes in competitive and pricing environments;
- changes in domestic and foreign legislation, regulations and taxes;
- regional or general changes in asset valuations;
- occurrence of significant natural or other disasters;
- inability to economically reinsure certain risks;
- adequacy of loss reserves;
- regulatory changes relating to the insurance, investment and/or securities industries;
- changes in the policies of central banks and/or foreign governments;
- general competitive factors on a global, regional and/or national scale.

Availability of company documents for public inspection

The Articles of Association of ageas SA/NV are available amongst others at the Registry of the Enterprise Court in Brussels (ageas SA/NV), at the company's registered office and on the website of Ageas.

Resolutions on the (re)election and removal of Ageas Board members are published amongst others in the annexes to the Belgian Official Gazette (ageas SA/NV).

Financial reports on the companies and notices convening AGMs and EGMs are published in the financial press, and other newspapers and periodicals. The Annual Report, as well as a list of all participations of Ageas, is available at Ageas's registered office and is also filed with the National Bank of Belgium. The Annual Report is sent each year to registered shareholders and to others on request.

Provision of information to shareholders and investors

Listed shares

Ageas shares are currently listed on Euronext Brussels. Ageas also has a sponsored ADR programme in the United States.

Types of shares

Shares in Ageas may be registered or dematerialised shares.

Registration of shares in dematerialised form

The company offers shareholders the opportunity to register their securities free of charge in dematerialised form. Ageas has developed a rapid conversion process for securities in the form of dematerialised shares, enabling delivery at short notice.

ageas SA/NV, Corporate Administration
Avenue du Boulevard 21/Bolwerklaan 21,
1210 Brussels, Belgium
E-mail: corporate.adm@ageas.com

Information and communications

The company sends communications to holders of registered dematerialised shares free of charge, including the annual report. The company personally invites each holder of dematerialised shares registered with the company to attend General Meetings and provides them with the agenda, the proposed resolutions as well as proxies for their representation and participation in the voting. On the date that payment of the dividend becomes due, the company automatically pays the amount of the dividend due into the bank accounts indicated by the holders of dematerialised shares registered with the company.

GRI Index

The GRI Content Index provides an overview of material sustainability related disclosures contained in the Ageas Annual Report 2023 as well as on the website, if deemed relevant. Ageas reports in accordance with the Global Reporting Initiative's GRI Universal Standards 2021. This entails that at least one indicator for the material topics is included, unless otherwise stated. In case more indicators are reported upon, these are also included in the table.

AGEAS - GRI CONTENT INDEX

GRI standard reference	Disclosure		Section in the annual report 2023 (AR)
GRI 1	**Foundation 2021**		
	Publish a GRI content index	AR	• E. Other information - GRI Index
	Statement of use	AR	• A Report of Board of Directors - first page
GRI 2	**General disclosures 2021**		
2-1	Organizational details	AR	• Frontpage and first page of the annual report • A Report of Board of Directors - About Ageas • C Additional information - 29 Legal structure
2-2	Entities included in the organization's sustainability reporting	AR	• Report of Board of Directors - 5.1 Embedding sustainability in our business - Scope and set-up of the non-financial information disclosure note • C Additional information - 29 Legal structure
2-3	Reporting period, frequency and contact point	AR/ Website	• A Report of Board of Directors - first page • A Report of Board of Directors - 5.1 Embedding sustainability in our business • Investors relations - https://www.ageas.com/contact/investors-relations
2-4	Restatements of information	AR	• A Report of Board of Directors - 5.8 Sustainability and non-financial indicators
2-5	External assurance		• NA
2-6	Activities, value chain, and other business relationships	AR	• A Report of Board of Directors - About Ageas • A Report of Board of Directors - 4 Strategy and business model of Ageas • C Additional information - 29 Legal structure
2-7	Employees	AR	• A Report of Board of Directors - About Ageas • A Report of Board of Directors - 5.2 Our employees • A Report of Board of Directors - 5.8 Sustainability and non-financial indicators
2-8	Workers who are not employees	AR	• A Report of Board of Directors - 5.2 Our employees
2-9	Governance structure and composition	AR	• A Report of Board of Directors - 5.1 Embedding sustainability in our business • A Report of Board of Directors - 6. Corporate Governance Statement
2-10	Nomination and selection of the highest governance body	AR	• A Report of Board of Directors - 6. Corporate Governance Statement
2-11	Chair of the highest governance body	AR	• A Report of Board of Directors - 6. Corporate Governance Statement
2-12	Role of the highest governance body in overseeing the management of impacts	AR	• A Report of Board of Directors - 6. Corporate Governance Statement
2-13	Delegation of responsibility for managing impacts	AR	• A Report of Board of Directors - 5.1 Embedding sustainability in our business • A Report of Board of Directors - 6. Corporate Governance Statement
2-14	Role of the highest governance body in sustainability reporting	AR	• A Report of Board of Directors - 5.1 Embedding sustainability in our business • A Report of Board of Directors - 6. Corporate Governance Statement
2-15	Conflicts of interest	AR	• C Additional information - 32 Related parties
2-16	Communication of critical concerns	AR	• A Report of Board of Directors - 5.7 Safe, secure and compliance insurance - Whistleblowing

GRI standard reference	Disclosure		Section in the annual report 2023 (AR)
2-17	Collective knowledge of the highest governance body	Website	• https://www.ageas.com/about/leadership
2-18	Evaluation of the performance of the highest governance body	AR	• A Report of Board of Directors - 6. Corporate Governance Statement
2-19	Remuneration policies	AR	• A Report of Board of Directors - 6.7 Report of remuneration committee
2-20	Process to determine remuneration	AR	• A Report of Board of Directors - 6.7 Report of remuneration committee
2-21	Annual total compensation ratio	AR	• A Report of Board of Directors - 5.8 Sustainability and non-financial indicators • A Report of Board of Directors - 6.7 Report of remuneration committee
2-22	Statement on sustainable development strategy	AR	• A Report of Board of Directors - 4 Strategy and business model of Ageas • A Report of Board of Directors - 5.1 Embedding sustainability in our business
2-23	Policy commitments	AR	• A Report of Board of Directors - 4 Strategy and business model of Ageas • A Report of Board of Directors - 5.1 Embedding sustainability in our business • A Report of Board of Directors - 5.7 Safe, secure and compliant insurance
2-24	Embedding policy commitments	AR	• A Report of Board of Directors - 5.1 Embedding sustainability in our business • A Report of Board of Directors - 5.7 Safe, secure and compliant insurance
2-25	Processes to remediate negative impacts	AR	• A Report of Board of Directors - 5.7 Safe, secure and compliance insurance
2-26	Mechanisms for seeking advice and raising concerns	AR	• A Report of Board of Directors - 5.7 Safe, secure and compliance insurance - Whistleblowing
2-27	Compliance with laws and regulations	AR	• A Report of Board of Directors - 5.7 Safe, secure and compliance insurance
2-28	Membership associations	AR	• Lobbying and membership disclosure 2023 on https://sustainability.ageas.com/reporting
2-29	Approach to stakeholder engagement	AR	• A Report of Board of Directors - 5.1 Embedding sustainability in our business
2-30	Collective bargaining agreements	Website	• Guidance on human and labour rights - https://sustainability.ageas.com/reporting
GRI 3	**General disclosures 2021**		
3-1	Process to determine material topics	AR	• A Report of Board of Directors - 5.1 Embedding sustainability in our business
3-2	List of material topics	AR	• A Report of Board of Directors - 5.1 Embedding sustainability in our business
3-3	Management of material topics	AR	• A Report of Board of Directors - 5.1 Embedding sustainability in our business

Economic

201	**Economic performance**		
103-2	Management approach	AR	• A Report of Board of Directors - 4 Strategy and business model of Ageas • A Report of Board of Directors - 5.7 Safe, secure and compliant insurance • A Report of Board of Directors - 6 Corporate governance statement • C Risk management
103-3	Evaluation of the management approach	AR	• A Report of Board of Directors - 3 Our 2023 performance • A Report of Board of Directors - 6 Corporate governance statement
201-1	Direct economic value generated and distributed	AR	• A Report of Board of Directors - 3 Our 2023 performance • B Consolidated financial statements 2023 - Consolidated income statement • C Information on Operating Segments - 27 Information on operating segments • C Notes to the Consolidated Income Statement
201-3	Defined benefit plan obligations and other retirement plans	AR	• C Employee benefits - 26 Remuneration and benefits
203	**Indirect economic impacts**		
103-2	Management approach	AR	• A Report of Board of Directors - 5. Sustainability at the heart of everything we do • A Report of Board of Directors - 5.7 Safe, secure and compliant insurance • A Report of Board of Directors - 6 Corporate governance statement • C Risk management
103-3	Evaluation of the management approach	AR	• A Report of Board of Directors - 3 Our 2023 performance • A Report of Board of Directors - 6 Corporate governance statement
203-1	Infrastructure investments and services supported	AR	• A Report of Board of Directors - 5.4 Our investments
207	**Tax**		
103-2	Management approach	AR Website	• A Report of Board of Directors - 6 Corporate governance statement • Tax policy - https://sustainability.ageas.com/reporting
103-3	Evaluation of the management approach	AR	• A Report of Board of Directors - 5.8 Sustainability and non-financial indicators • A Report of Board of Directors - 6 Corporate governance statement
207-4	Country-by-country reporting	AR	• A Report of Board of Directors - 5.8 Sustainability and non-financial indicators

GRI standard reference	Disclosure		Section in the annual report 2023 (AR)
Environmental			
305	**Emissions**		
103-2	Management approach	AR	• A Report of Board of Directors - 5.1 Embedding sustainability in our business • A Report of Board of Directors - 5.5 Our planet
103-3	Evaluation of the management approach	AR	• A Report of Board of Directors - 3 Our 2023 performance • A Report of Board of Directors - 5.8 Sustainability and non-financial indicators
305-1	Direct (Scope 1) GHG emissions	AR	• A Report of Board of Directors - 5.5 Our planet • A Report of Board of Directors - 5.8 Sustainability and non-financial indicators
305-2	Energy indirect (Scope 2) GHG emissions	AR	• A Report of Board of Directors - 5.5 Our planet • A Report of Board of Directors - 5.8 Sustainability and non-financial indicators
305-3	Other indirect (Scope 3) GHG emissions	AR	• A Report of Board of Directors - 5.5 Our planet • A Report of Board of Directors - 5.8 Sustainability and non-financial indicators
305-4	GHG emissions intensity	AR	• A Report of Board of Directors - 5.5 Our planet • A Report of Board of Directors - 5.8 Sustainability and non-financial indicators
Social			
103-2	Management approach	AR	• A Report of Board of Directors - 5.1 Embedding sustainability in our business • A Report of Board of Directors - 5.2 Our employees • A Report of Board of Directors - 6 Corporate governance statement
103-3	Evaluation of the management approach	AR	• A Report of Board of Directors - 3 Our 2023 performance • A Report of Board of Directors - 6 Corporate governance statement
403	**Occupational Health and Safety**		
403-6	Promotion of worker health	AR	• A Report of Board of Directors - 5.2 Our employees
404	**Training and education**		
404-2	Programs for upgrading employee skills and transition assistance programs	AR	• A Report of Board of Directors - 5.2 Our employees
405	**Diversity and equal opportunity**		
405-1	Diversity of governance bodies and employees	AR	• A Report of Board of Directors - 5.2 Our employees • A Report of Board of Directors - 5.8 Sustainability and non-financial indicators • A Report of Board of Directors - 6 Corporate governance statement
Other material topics			
103-2	Management approach	AR	• A Report of Board of Directors - 5.1 Embedding sustainability in our business • A Report of Board of Directors - 5.3 Our products • A Report of Board of Directors - 5.4 Our investments • A Report of Board of Directors - 6 Corporate governance statement
103-3	Evaluation of the management approach	AR	• A Report of Board of Directors - 3 Our 2023 performance • A Report of Board of Directors - 5.8 Sustainability and non-financial indicators • A Report of Board of Directors - 6 Corporate governance statement
	Insurance products and services protecting against societal challenges	AR	• In addition to GR305 • A Report of Board of Directors - 5.3 Our products
	Insurance products and services incentivising responsible behaviour	AR	• In addition to GR305 • A Report of Board of Directors - 5.3 Our products
	Easy to understand, fair and transparent information to customers	AR	• In addition to GR302 • A Report of Board of Directors - 5.3 Our products
	Social responsible investments focusing on societal challenges	AR	• In addition to GR305 • A Report of Board of Directors - 5.4 Our investments

UN GC
Progress report Index

Ageas has been a signatory of the United Nations Global Compact since August 2020. Ageas is committed to supporting the Ten Principles of the UN Global Compact relating to Human Rights, labour standards, the environment and the fight against corruption as well as reporting and communicating annually to its stakeholders on progress made to implement these principles. Impact24 Strategy reaffirms Ageas's commitments to the Ten Principles of the UN Global Compact.

COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

The table below contains information and detailed references to material in the 2023 Ageas Annual Report or on the Ageas sustainability webpages that addresses the UN Global Compact principles.

UN Global Compact 10 Principles		Reference
1. **Governance**	Policies and Responsibilities	• Overall: AR Note 6 Corporate Governance Statement • Specifically in relation to sustainability: AR note 5.1 Embedding sustainability in our business - Governance • Policies: https://sustainability.ageas.com/reporting
	Prevention	• Overall in policies: https://sustainability.ageas.com/reporting • Specific update on investments - exclusion in case of recurrent and severe breaches of UN GC Principles: AR Note 5.5.1 Level of ESG-integration in our investment decisions • Specifically on ethical behaviour: AR Note 5.7.1 Ethics and integrity, the pillars of responsible business conduct • Awareness creation on sustainability: AR Note 5.2.3 Talent management, talent retention and talent development
	Concerns and Grievance Mechanisms	• Whistleblowing: AR Note 5.7.1 Ethics and integrity, the pillars of responsible business conduct - Whistleblowing
	Lessons	• AR Note 5.7.1 Ethics and integrity, the pillars of responsible business conduct
	Executive Pay	• AR Note 6.7 Remuneration policy
	Board Composition	• AR Note 6.5 Board of Directors
	Data Assurance	• NA
2. **Human rights**		
	Materiality	• AR Note 4 Strategy and business model of Ageas • AR Note 5.1 Embedding sustainability in our business - Ageas's materiality assessment reconfirmed through local materiality assessments • AR Note 5.7.1 Ethics and integrity, the pillars of responsible business conduct - Human rights
PRINCIPLE 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	Commitment	• AR Note 4 Strategy and business model of Ageas • AR Note 5.7.1 Ethics and integrity, the pillars of responsible business conduct - Human rights
PRINCIPLE 2: Make sure they are not complicit in human rights abuses.	Prevention	• Overall in policies: https://sustainability.ageas.com/reporting • Specific update on investments - exclusion in case of recurrent and severe breaches of UN GC Principles: AR Note 5.5.1 Level of ESG-integration in our investment decisions • Specifically on ethical behaviour: AR Note 5.7.1 Ethics and integrity, the pillars of responsible business conduct • Awareness creation on sustainability: AR Note 5.2.3 Talent management, talent retention and talent development
	Response and reporting	• Overall: AR Note 5.8 Sustainability and non-financial indicators • AR Note 5.7.1 Ethics and integrity, the pillars of responsible business conduct - Human rights • AR Note 5.7.1 Ethics and integrity, the pillars of responsible business conduct - Protecting your data carefully

UN Global Compact 10 Principles		Reference
3. Labour principles		
PRINCIPLE 3: Businesses should uphold freedom of association and the effective recognition of the right to collective bargaining; PRINCIPLE 4: The elimination of all forms of forced and compulsory labour; PRINCIPLE 5: The effective abolition of child labour; and PRINCIPLE 6: The elimination of discrimination in respect of employment and occupation.	Commitment	• AR Note 4 Strategy and business model of Ageas • AR Note 5.2 Our people - targets
	Prevention	• Overall in policies: https://sustainability.ageas.com/reporting • Specific update on investments - exclusion in case of recurrent and severe breaches of UN GC Principles: AR Note 5.5.1 Level of ESG-integration in our investment decisions • Awareness creation and training: AR Note 5.2.3 Talent management, talent retention and talent development
	Performance	• Overall: AR Note 5.8 Sustainability and non-financial indicators - Our employees • AR Note 5.2.1 Diversity & inclusion
	Response and reporting	• AR Note 5.7.1 Ethics and integrity, the pillars of responsible business conduct - whistleblowing
4. Environment		
PRINCIPLE 7: Businesses should support a precautionary approach to environmental challenges; PRINCIPLE 8: Undertake initiatives to promote greater environmental responsibility; and PRINCIPLE 9: Encourage the development and diffusion of environmentally friendly technologies.	Commitment	• AR Note 4 Strategy and business model of Ageas • AR Note 5.4 Our investments - targets • AR Note 5.5 Our planet – targets
	Prevention	• Overall in policies: https://sustainability.ageas.com/reporting • Specific update on investments - exclusion in case of recurrent and severe breaches of UN GC Principles: AR Note 5.5.1 Level of ESG-integration in our investment decisions • Risk assessment and reduction measures : AR Note 5.5 Our planet and AR Note C Risk management
	Climate action	• Overall: AR Note 5.8 Sustainability and non-financial indicators - Our investments and Our planet • Towards suppliers: AR Note 5.7.1 Ethics and integrity, the pillars of responsible business conduct - Setting sustainability expectations to suppliers • EU taxonomy: AR Note 5.6 EU Taxonomy • Environmental disclosure: https://sustainability.ageas.com/reporting
	Energy resource use	• AR Note 5.8 Sustainability and non-financial indicators - Our planet
	Technology	• NA
	Overall Environment and additional topic-specific matters	• AR Note 5.5 Our planet • Environmental disclosure: https://sustainability.ageas.com/reporting
5. Anti-corruption		
PRINCIPLE 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Commitment	• Overall in policies: https://sustainability.ageas.com/reporting • Specific update on investments - exclusion in case of recurrent and severe breaches of UN GC Principles: AR Note 5.5.1 Level of ESG-integration in our investment decisions • Specifically on ethical behaviour: AR Note 5.7.1 Ethics and integrity, the pillars of responsible business conduct
	Prevention	• AR Note 5.7.1 Ethics and integrity, the pillars of responsible business conduct • AR Note 5.2.3 Talent management, talent retention and talent development
	Performance	• Overall: AR Note 5.8 Sustainability and non-financial indicators - Safe, secure and compliant insurance • AR Note 5.7.1 Ethics and integrity, the pillars of responsible business conduct
	Response and reporting	• AR Note 5.7.1 Ethics and integrity, the pillars of responsible business conduct

UNEP FI PSI Index

Ageas officially became a signatory to the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Sustainable Insurance (PSI) on September 15, 2020. This insurance industry initiative encourages an industry-wide commitment to ESG integration.

As a PSI signatory, Ageas will disclose on an annual basis the progress made in embedding the Principles into all aspects of its operations, in line with the timing of its Annual Report. The table below references to the activities Ageas has undertaken in 2023 to demonstrate its commitment to the PSI.

	Principles of Sustainable Insurance	Ageas's actions in 2023	Reference
1	We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.	• Second year of Impact24 strategy with non-financial targets and performance disclosed) on the four impact areas, and reconfirmed commitment to the SDGs • Sustainability governance as part of the overall Group governance • Continued TCFD implementation and reporting hereon, integrated in the annual report for the first time • Update of policies e.g. Responsible Investment Framework • E-learning on sustainability rolled out to the all Ageas employees • Follow-up on the first human rights risk assessment	• Note A.4 Strategy and business model of Ageas • Note A.5.1 Embedding sustainability in our business - Governance • Note E. Ageas's response to the TCFD recommendations • https://sustainability.ageas.com/reporting • Note A.5.2 Our employees • Note A.5.7 Safe, secure and compliant insurance - Human rights
2	We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.	• Second year of Impact24 strategy with first time sustainability targets for the four impact areas, including action plan for realisation, and e.g. active promotion of sustainable products, such as drive less, green parts, and sustainable investments, including in real estate, and active engagement directly and through Action 100+, and awareness raising • Continued TCFD implementation and reporting hereon • Update of policies e.g. Responsible Investment Framework • Reporting on EU taxonomy	• Note A.5.3 Our products • Note A.5.4 Our investments • Note A.5.7.2 Philanthropy activities • Note E. Ageas's response to the TCFD recommendations • https://sustainability.ageas.com/reporting • Note A.5.6 EU taxonomy
3	We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.	• Active promotion of societal related initiatives such as Road Safety, financial literacy • Chair at University of Antwerp on Sustainable Insurance • Collaboration with several universities on e.g. ethics, insurance • Multiple memberships to actively promote ESG aspects in insurance and in the world e.g. World Economic Forum, commitment to PRI	• Note A.5.7.2 Philanthropy activities
4	We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.	• Annual disclosure in the Ageas's Annual Report in accordance with GRI Universal Standards 2021 • Thematic disclosures on e.g. TCFD, CO2, taxes, lobbying, memberships, UN GC principles • Responding to several ESG rating agancies, amongst others CDP	• Chapter A. Report of the Board of Directors • https://www.ageas.com/investors/quarterly-results • https://sustainability.ageas.com/reporting

Ageas's response to the TCFD recommendations

This is Ageas's third report detailing its approach to managing climate risks and opportunities in line with the voluntary recommendations set out by the TCFD (Task Force for Climate-related Financial Disclosures). These recommendations provide guidance to all market participants on the disclosure of information on the financial implications of climate-related risks and opportunities so that they can be integrated into business and investment decisions.

The 2021 TCFD report can be consulted on the Ageas's website: 2021 TCFD report.

Ageas is increasing its efforts to contribute to the Paris agreements, strengthening its response to the TCFD recommendations.

TCFD recommendations		Reference (AR = Annual Report)
Governance	Disclose the company's governance around climate-related risks and opportunities. a) Describe the board's oversight of climaterelated risks and opportunities b) Describe management's role in assessing and managing climaterelated risks and opportunities.	TCFD 2021 report - 2. Governance
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the company's businesses, strategy, and financial planning where such information is material. a) Describe the climaterelated risks and opportunities the company has identified over the short, medium, and long term. b) Describe the impact of climate-related risks and opportunities on the company's businesses, strategy, and financial planning. c) Describe the resilience of the company's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	TCFD 2021 report - 3. Strategy. In addition: • strategy and business model of Ageas - AR 2023 note A.4 Strategy and business model of Ageas • updated Responsible Investment Framework - AR 2023 note A.5.4.1 Level of ESG integration in our investment decisions • member of the UN-convened Net Zero Asset Owner Alliance (NZAOA) - AR 2023 note A.5.5.1 Carbon emissions of our investment portfolio
Risk management	Disclose how the company identifies, assesses, and manages climate-related risks. a) Describe the company's processes for identifying and assessing climate related risks b) Describe the company's processes for managing climate related risks. c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the company's overall risk management.	2021 TCFD report - 4. Risk management. In addition: • ERM risk taxonomy & update on climate change risk assessment - AR 2023 note C. Risk management, also specifically "Spotlight: Climate Change Risk Assessment"
Metrics and targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material. a) Disclose the metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk management process. b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. c) Describe the targets used by the company to manage climate-related risks and opportunities and performance against targets.	2021 TCFD report - 5. Metrics and targets. In addition: • all updated metrics compared to targets - AR 2023 note 5.8 Sustainability and non-financial indicators • detailed information on products - AR 2023 note 5.3 Our products • detailed information on investments - AR 2023 note 5.4 Our investments • detailed information on CO_2 targets - AR 2023 note 5.5 Our planet

Glossary and abbreviations

Amortised cost
The amount at which a financial asset or liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation/accretion of any premium/discount, and minus any write-down for impairment.

Asset backed security
A bond or a note backed by debt instruments (not being mortgages) or accounts receivable.

Asset for Incurred Claims (AIC)
See Liability for Incurred Claims, but in a receivable position for Ageas.

Asset for Remaining Coverage (ARC)
See Liability for Remaining Coverage, but in a receivable position for Ageas.

Associate
A company on which Ageas has significant influence but which it does not control.

Basis point (bp)
One hundredth of a percentage point (0.01%).

Building Block Approach (BBA)
See General Measurement Model (GMM).

Cash flow hedge
A hedge to mitigate exposure to fluctuations in the cash flow of a recognised asset or liability, or forecasted transaction, as a consequence of movements in variable rates or prices.

Clean fair value
The fair value excluding the unrealised portion of interest accruals.

Clearing
Administrative settlement of securities, futures and options transactions through a clearing organisation and the financial institutions associated with it (clearing members).

Contract boundaries
Under Solvency II, in principle all obligations relating to an insurance contract, including obligations relating to unilateral rights of the insurance undertaking to renew or extend the scope of the contract and obligations that relate to paid premium, belong to the boundary of the contract. The obligations that relate to insurance cover provided by the insurance undertaking after the future date where the insurance undertaking has a unilateral right (a) to terminate the contract, (b) to reject premiums payable under the contract or (c) to amend the premiums or the benefits payable under the contract in such a way that the premiums fully reflect the risks, do not belong to the boundary of the contract, unless the insurance undertaking can compel the policyholder to pay the premium for those obligations.
Under IFRS 17, the contract boundary of a group of insurance contracts includes all cash flows that arise from substantive rights and obligations that exist during the reporting period in which Ageas can compel the policyholder to pay premiums or in which Ageas has a substantive obligation to provide insurance contract services to the policyholder.

Contractual Service Margin (CSM)
A component of the carrying amount of the asset or liability for a group of insurance contracts representing the unearned profit the entity will recognise as it provides insurance contract services under the insurance contracts in the group.

Credit losses
The difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

Credit spread
The yield differential between government bonds and corporate bonds or credits.

Custody
An agreement, usually between an investor and a bank (or possibly an agent or a trust company), whereby the investor deposits for safekeeping securities, gold or other valuables with the bank, which in turn takes the valuables into safekeeping for a fee.

Deferred acquisition cost
The cost of acquiring new and renewed insurance business, principally commissions, underwriting, agency and policy issue expenses, all of which vary with and are primarily related to the production of new business.

Derivative
A financial instrument such as a swap, forward contract, futures contract or option (both written and purchased). This financial instrument has a value that changes in response to changes in various underlying variables. It requires little or no net initial investment, and is settled at a future date.

Disability insurance
Insurance against the financial consequences of long-term disability.

Discounted cash flow method
An approach to valuation, whereby projected future cash flows are discounted at an interest rate that reflects the time value of money and a risk premium that reflects the extra return investors demand for the risk that the cash flow might not materialise after all.

Discretionary Participation Feature (DPF)
A contract with discretionary participation features provides the investor with a contractual right to receive, as a supplement to the amount not subject to Ageas' discretion, potentially significant additional benefits that are based on the return of specified pools of underlying assets.

Embedded derivative
A derivative instrument that is embedded in another contract – the host contract. The host contract might be a debt or equity instrument, a lease, an insurance contract or a sale or purchase contract.

Employee benefits
All forms of considerations given by an entity in exchange for service rendered by employees, in addition to their pay or salary.

Exposure at Default (EAD)
The exposure at default is an estimate of the amounts that Ageas expects to be owed at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by the contract or otherwise, and accrued interest from missed payments.

Expected Credit Loss allowance (ECL)
The weighted average of credit losses with the respective risks of a default occurring as the weights.

Fair value
The amount for which an asset (liability) can be bought (incurred) or sold (settled), between knowledgeable, willing parties in an arm's length transaction.

Fair value hedge
A hedge of an exposure to changes in the fair value of a recognised asset or liability (or a portion thereof) or a firm commitment. The exposure is attributable to a particular risk and will affect reported net income.

Finance lease
A lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

Fair Value Through Other Comprehensive Income (FVOCI)
The financial instrument is subsequently measured at fair value. Fair value changes are recognised in OCI.

Fair Value Through Profit or Loss (FVTPL)
The financial instrument is subsequently measured at fair value. Fair value changes are recognised in the income statement.

Fulfilment cash flows
An explicit, unbiased and probability-weighted estimate (ie expected value) of the present value of the future cash outflows minus the present value of the future cash inflows that will arise as the entity fulfils insurance contracts, including a risk adjustment for non-financial risk.

General Measurement Model (GMM)
Measurement approach to measure groups of insurance contracts at the total of:

a) The fulfilment cash flows, which comprise:
   i) Estimates of future cash flows;
   ii) An adjustment to reflect the time value of money and the financial risks related to the future cash flows, to the extent that the financial risks are not included in the estimates of the future cash flows; and
   iii) A risk adjustment for non-financial risk.
b) The Contractual Service Margin

Goodwill
This represents the amount by which the fair value of the assets acquired, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business, exceeds Ageas's interest in the fair value of assets acquired and liabilities and contingent liabilities assumed.

Gross written premiums
Total premiums (whether or not earned) for insurance contracts written or accepted during a specific period, without deduction for premiums ceded.

Hedge accounting
Hedge accounting recognises the offsetting effects on profit or loss of changes in the fair values of the hedging instrument and the hedged item.

IFRS
International Financial Reporting Standards have been used as the accounting standards for all listed companies within the European Union since 1 January 2005 to ensure transparent and comparable accounting and disclosure.

Impairment
A decline in value whereby the carrying amount of the asset exceeds the recoverable amount. In such a case, the carrying amount will be reduced to its recoverable amount through the income statement.

Insurance contract
A contract under which one party (Ageas, its subsidiaries or associates) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

Insurance contract with direct participation features
Insurance contracts with direct participation features are insurance contracts that are substantially investment-related service contracts under which an entity promises an investment return based on underlying items. Hence, they are defined as insurance contracts for which:

a) The contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
b) The entity expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
c) The entity expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

Investment component
The amounts that an insurance contract requires an entity to repay to a policyholder in all circumstances, regardless of whether an insured event occurs.

Investment contract
A life insurance policy contract that transfers financial risk without transferring significant insurance risk.

Intangible asset
An identifiable non-monetary asset, which is recognised at cost if and only if it will generate future economic benefits and if the cost of the asset can be measured reliably.

Investment property
Property held by Ageas to earn rental income or for capital appreciation.

ISO Currency code list
AUD..Australia, Dollars
CAD..Canada, Dollars
CHF..Switzerland, Francs
CNY..China, Yuan Renminbi
DKK..Denmark, Kroner
GBP..Great Britain (United Kingdom), Pounds
HKD..Hong Kong, dollar
HUF..Hungary, Forint
INR..India, Rupee
MAD..Morocco, Dirham
MYR..Malaysia, Ringgits
PHP..Philippines Peso
PLN..Poland, Zloty
RON..Romania, Leu
SEK..Sweden, Kronor
THB..Thailand, Baht
TRY..Turkey, New Lira
TWD..Taiwan, New Dollars
USD..United States of America, Dollars
ZAR..South Africa, Rand

Liability for Incurred Claims (LIC)
Ageas' obligation to :

a) Investigate and pay valid claims for insured events that have already occurred, including events that have occurred but for which claims have not been reported, and other incurred insurance expenses; and
b) Pay amounts that are not included in a) and that relate to:
    i) Insurance contract services that have already been provided; or
    ii) Any investment components or other amounts that are not related to the provision of insurance contract services and that are not in the Liability for Remaining Coverage.

Liability for Remaining Coverage (LRC)
Ageas' obligation to:

a) Investigate and pay valid claims under existing insurance contracts for insured events that have not yet occurred (i.e. the obligation that relates to the unexpired portion of the insurance coverage); or
b) Pay amounts under existing insurance contracts that are not included in a) and that relate to:
    i) Insurance contract services not yet provided (i.e. the obligations that relate to future provision of insurance contract services); or
    ii) Any investment component or other amounts that are not related to the provision of insurance contract services and that have not been transferred to the Liability for Incurred Claims.

Liquidity ratio
A metric that allows assessing if the Ageas's cash inflows ensure the liquidity position to operate efficiently, maintain the Ageas's reputation in the market and allow to cover cash outflows in standard market conditions.

Loss Given Default (LGD)
The loss given default is an estimate of the difference between the contractual cash flows and the expected cash flows (i.e. the loss arising) when a default occurs.

Market capitalisation
Value attributed to the company by the stock market. Market capitalisation corresponds to the number of shares outstanding multiplied by the share price at a given time.

NCI
Non-controlling interest.

Net investment hedge
A hedge used to reduce the financial risks of a reporting entity's share of the net assets of a foreign entity by entering into transactions that give an offsetting risk profile.

Notional amount
Amount of currency units, number of shares, a number of units of weight or volume or other units specified in a derivative contract.

Other Comprehensive Income (OCI)
Items of income and expense (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by IFRS's.

Operating lease
A contract that allows the use of an asset in return for periodic payments, but does not convey rights similar to legal ownership of the asset and where the financial risks related to the asset are borne by the lessor.

Operating margin
Operating income divided by net premium. Operating income is the profit or loss stemming from all operations, including underwriting and investments.

Option
A privilege sold by one party to another that offers the buyer the right, but not the obligation, to buy (call) or sell (put) a security at an agreed price during a certain period of time or on a specific date.

Over-The-Counter (OTC)
An over-the-counter market is a decentralised market in which market participants trade financial instruments.

Premium Allocation Approach (PAA)
Optional measurement approach for groups of insurance contracts that meet following conditions:
a) Ageas reasonably expects that such simplification would produce a measurement of the Liability for Remaining Coverage for the group that would not differ materially from the one that would be produced using the General Measurement Model; or
b) The coverage period for each contract in the group (including insurance contract services arising from all premiums within the contract boundary determined at that date) is one year or less.

Private equity
Equity securities of companies that are not listed on a public exchange. Investors wishing to sell their stake in a private company have to find a buyer themselves owing to the lack of a marketplace.

Present value of future cash flows
An explicit, unbiased and probability-weighted estimate (ie expected value) of the present value of the future cash outflows minus the present value of the future cash inflows that will arise as the entity fulfils insurance contracts.

Probability of Default (PD)
The probability of default is an estimate of the likelihood of the borrower defaulting on its financial obligation, either over the next 12 months after the reporting period, or over the remaining lifetime of the obligation.

Provision
Provisions are liabilities involving uncertainties in the amount or timing of payments. Provisions are recognised if there is a present obligation to transfer economic benefits, such as cash flows, as a result of past events and a reliable estimate can be made at the date of the statement of financial position.

Reverse repurchase agreement
The purchase of securities with an agreement to resell them at a higher price at a specific future date.

Risk adjustment for non-financial risk (Risk adjustment)
The compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the entity fulfils insurance contracts.

Securities lending transaction
A loan of a security from one counterparty to another who must eventually return the same security as repayment. The loan is often collateralised. Securities lending allows an entity in possession of a particular security to earn enhanced returns.

Solely Payments of Principal and Interest (SPPI)
Assessment on whether the contractual terms of the financial instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Stress liquidity ratio
A set of metrics that allows assessing if the Ageas's cash inflows ensure sufficiently the liquidity position to operate efficiently, maintain the Ageas's reputation in the market and avoid losses from obligations in its liabilities under stressed liquidity conditions.

Structured credit instruments
Securities created by repackaging cash flows from financial contracts and encompassing asset-backed securities (ABS), mortgage-backed securities (MBS) and collateralised debt obligations (CDO).

Subordinated bond (loan)
A loan (or security) that ranks below other loans (or securities) with regard to claims on assets or earnings.

Subsidiary
Any company, of which Ageas, either directly or indirectly, has the power to govern the financial and operating policies so as to obtain the benefits from its activities ('control').

Trade date
The date when Ageas becomes a party to the contractual provisions of a financial asset.

VaR
Abbreviation of value at risk. A technique that uses the statistical analysis of historical market trends and volatilities to estimate the likelihood that a given portfolio's losses will exceed a certain amount.

Variable Fee Approach (VFA)
Mandatory measurement approach for groups of insurance contracts with direct participation features.

Abbreviations

AIC ....Asset for incurred claims
ALM...Asset and liability management
ARC...Asset for remaining coverage
BBA...Building Block Approach
CASHES....................................Convertible and subordinated hybrid equity-linked securities
CDS...Credit default swap
CEU...Continental Europe
CGU ....Cash generating unit
CSM ....Contractual Service Margin
DPF ....Discretionary participation features
EAD...Exposure at default
ECL ....Expected credit losses
EPS...Earnings per share
Euribor.......................................Euro interbank offered rate
EV ....Embedded value
FRESH ....Floating rate equity linked subordinated hybrid bond
FVOCI ....Fair value through Other Comprehensive Income
FVTPL ....Fair value through profit or loss
GDPR..General Data Protection Regulation
GMM ....General Measurement Model
IBNR..Incurred but not reported
IFRIC...International Financial Reporting Interpretations Committee
IFRS ....International Financial Reporting Standards
LGD...Loss given default
LIC ....Liability for incurred claims
LRC ....Liability for remaining coverage
MCS ....Mandatory convertible securities
OCI..Other comprehensive income
OTC...Over the counter
PAA ....Premium Allocation Approach
PD ....Probability of default
SPPI ....Solely payments of principal and interest
SPV ....Special purpose vehicle
UK ....United Kingdom
VFA ....Variable Fee Approach

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