Impact for Growth

ANNUAL REPORT 2022

ageas®

At the heart of society, in the lives of people

ageas®

Supporter of your life

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EUR **16** billion
annual inflows
(at Ageas's part)

Life, Non-Life & Reinsurance

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200
years of heritage

BEL 20
listed company

44,000
employees

Our values
CARE
DARE
DELIVER
SHARE

47
million customers

Our purpose
ageas
Supporter of your life

About Ageas

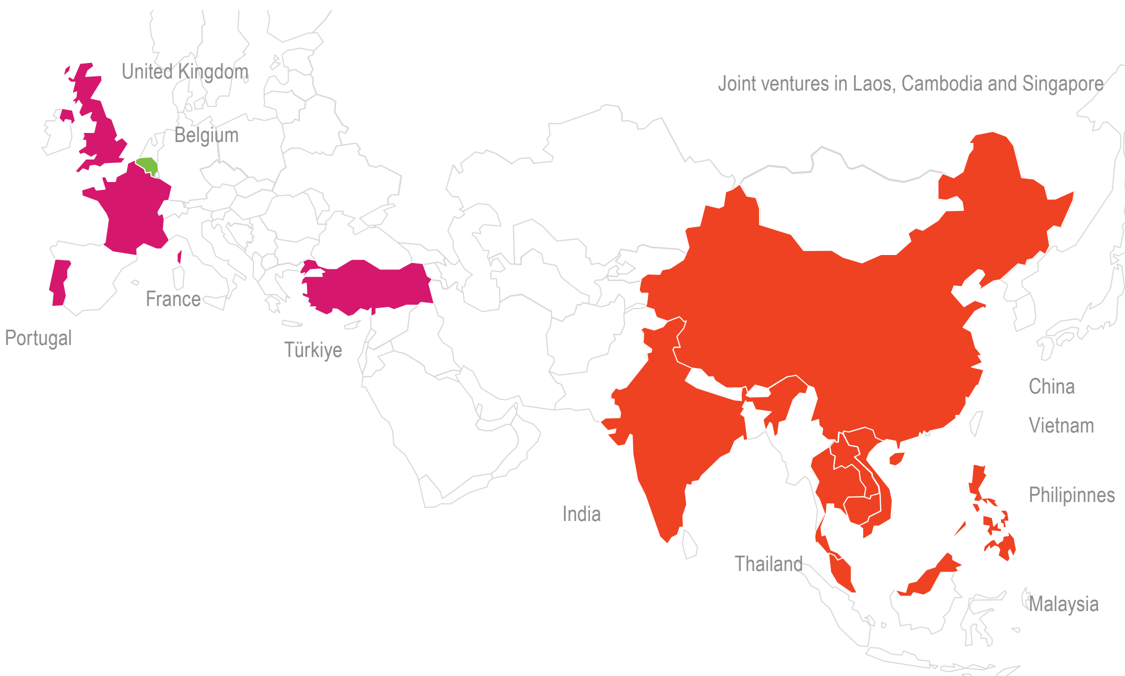
Ageas is a listed international insurance Group with a heritage spanning almost 200 years. We offer Retail and Business customers Life and Non-Life insurance products, and we are also engaged in reinsurance activities.

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 we are also well represented in Asia. In total, Ageas is on the ground in 14 countries (Belgium, the UK, France, 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 44,000 skilled and committed employees are at the service of nearly 47 million customers. The 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 2022, Ageas reported annual inflows in excess of EUR 16 billion (at Ageas's part). Ageas is listed on Euronext Brussels and is included in the BEL20 index.

Active in 14 countries across Europe and Asia



A
Report of the Board of Directors

The Ageas Annual Report 2022 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 2022, with comparative figures of 2021, 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 H.

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Message from the Chairman & CEO

Dear Reader,

2022 has been a remarkable year in so many ways. As a business **we completed the first year of our Impact24 three-year strategic plan,** and we can already reflect with quite some pride on early successes and achievements.

But to talk about our performance in isolation of what happened in the wider world would not be credible. While the high-level threat of Covid may have diminished and we have regained much of our freedom of movement, **the world is facing tough times.** Everyone has been touched in some way. And our commitment to be a supporter of the lives of our customers has never been more important. The conflict on Europe's eastern borders has had enormous consequences, not least the huge human price paid by people in Ukraine and Russia. Moreover, we have seen a major fallout at the geopolitical level, with a heavy impact on the economy, enterprises, and citizens around the world.

Volatility in financial markets, inflation, rising interest rates, a global energy crisis, and new climate disasters have all converged into an unprecedented period of instability. **But it is also at times like these that insurers can demonstrate the stability they can inject into markets and into the lives of those they serve.**

It is in difficult times, that we more than ever step forward to live up to our purpose as a supporter of the lives of our stakeholders. And that is also what we are fully committed to in the context of the tragic earthquakes that took place in Türkiye and Syria this year. Ageas has decided to donate EUR 1 million to the Sabanci Foundation, that will be used to provide immediate support on the ground and to fund recovery projects in the longer term. Our thoughts are with all those who have been affected by this tragedy, and we hope that with the support of many around the world, people in the region will be able to rebuild their lives, their cities, and their communities.

Solid operational and commercial performance

While we cannot control the external environment, we can control how we respond to it within our own business. We are pleased to report that despite the tough operating environment, in which we were not immune to the impact of adverse **financial markets in China and the growing inflation in the UK and Türkiye,** the Group continued to increase inflows and grow its customer base while delivering at the same time a **strong underlying operational performance across all markets** in 2022 and a net result exceeding EUR 1 billion.

Thanks to our strong balance sheet and solid underlying performance, we have been able to deliver on our dividend promise to investors, which envisions average dividend per share growth of 6-10% over the Impact24 period. The total gross cash dividend of EUR 3.00 per share over 2022 proposed by the Ageas Board of Directors, representing an increase of 9% compared to last year, meets this ambition.

Delivering the promise

Impact24 acts as a compass to help us to stay on course and **leverage our core business while pursuing new growth engines, all in a sustainable way.** We set the bar deliberately high in terms of our ambitions and we remain determined to deliver against a plan that is designed to help us grow while ensuring we remain resilient. Through a set of financial and operational targets and **a range of non-financial and sustainability targets**, we are holding ourselves accountable. In addition to our efforts to establish high standards in our new way of reporting beyond financials, we have worked hard on implementing the new IFRS9 and IFRS17 accounting rules under the leadership of **Wim Guilliams, the current deputy CFO of Ageas. In June he will succeed Christophe Boizard who will retire as CFO of Ageas**. We would like to take the opportunity to thank Christophe for his outstanding contribution in creating a strong financial basis from which the Group can further develop.

Diversification makes us stronger

In 2022 we continued to diversify both our business offering and our geographic coverage. Diversification allows us to grow and increases at the same time our ability to withstand unexpected events, by diversifying possible impact and risks.

We are expanding our reinsurance offering to third parties under the brand of **'Ageas Re' as a new engine for growth,** with an initial underwriting focus on P&C reinsurance in EMEA. And we have expanded our presence in the Indian Life Insurance market by completing the **acquisition of our joint venture Ageas Federal Life insurance (AFLIC)**, thereby increasing our shareholding to a 74% majority stake. Our ambition is to continue our success story in India and to further develop our business in this dynamic market with low penetration rates and enormous potential for growth in the future.

Winning partnerships to spark growth

We stayed true to our DNA and pursued **opportunities for growth by leveraging new 'winning' partnerships.** A partnership with eBaoTech corporation allows us to strengthen our digital platforms capabilities. In just a few short months we already developed together a new product at AFLIC in India that seamlessly connects to Federal Bank's **new digital platform.** In the UK, Ageas has launched home insurance policies through the new online Amazon Insurance Store as one of the first participating insurers in this new initiative. Our partnership with MDRT (Million Dollar Round Table) will help improve the quality and extent of our agency network, particularly in Asia. And we also invested in the Belgian **start-up Trensition,** a longstanding partner supporting our AI-driven trend-scanning process.

Our new CDSO team (Chief Development and Sustainability Office) is demonstrating what can be achieved when you **leverage collective talent** across the globe to help **drive the implementation of Impact24.** To turbo-charge our Impact24 progress efficiently and enhance the customer experience, we are deploying **shared technology and data solutions**. We have, amongst others, created a dedicated AI/Machine Learning centre of excellence from which the entire Group can derive benefit, an Ageas Cloud to facilitate cross-country collaboration and create economies of scale with shared tools, a Group Security Operations centre to safeguard the Group's systems security 24/7, and a fully-fledged API portal to participate in digital ecosystems.

A shared responsibility for making a positive impact on the world

We are **putting sustainability at the heart of our business to drive growth and stimulate the transition to a more inclusive and sustainable world.** In this report we give you a taste of how this is integrated into everything we do. Among the 2022 initiatives:

- We increased our investments in social and green bonds, solar and wind energy projects, and in modernising and greening our real estate portfolio, making **more than EUR 10 billion of sustainable investments**. To achieve our goal of net-zero carbon emissions in our investments by 2050 at the latest, we challenged ourselves to set an intermediary target of **50% greenhouse gasses emission reduction in the portfolios of our European consolidated entities by 2030** and joined the Net Zero Asset Owner Alliance.
- We obtained the **CO_2 Neutral label** with respect to our emissions in 2021 in Ageas's own operations group-wide. We will continue to work towards structurally lowering our emissions and expanding our measurement scope.
- Through our products, we are supporting customers in their own sustainability transition. Already **21% of our products incentivise our customers to make more sustainable choices today**, and we target 25% by 2024.
- For our people, we want to be a Great place to Grow. We currently rank **top quartile on Employee Net Promoter Score**, which suggests we are well on our way. In 2022, we achieved **Top Employer status** in all our Belgian entities and in the UK and we were recognised as **a Great Place to Work in India for the 4th year.** Winning and retaining talent continues to be a huge challenge for the entire industry. We aim to diversify our talent pool and provide opportunities for our people to unlock their full potential whilst equipping them for the future.

We are grateful to our people around the world who are committed to supporting the lives of our customers in challenging times, sometimes through the smallest of gestures. **We know each ripple can grow into a positive wave tomorrow, ultimately creating the impact that is so much needed**.

Resilience remains key

With change happening at accelerated rate, our reputation for adaptability has never been more important than in the past year. We thank our partners for staying focused on delivery in such volatile and uncertain times.
We are proud of what we were able to achieve together in 2022 and we're convinced that we are on the right track with Impact24. But we also keep **our gaze firmly set beyond the 2024 horizon**. Our unique approach to future foresight allows us to live up to the promises we made to our customers for the long-term and to help the societies they live in to thrive in the future.

The combination of our forward-looking approach, our diversified business and the commitment of our people to reach our ambitions, gives us confidence in the near and long-term future.

Thank you for your trust and continued confidence in Ageas.

Bart

Hans

Bart De Smet,
Chairman

Hans De Cuyper,
CEO

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Key-events in 2022

20/01
Ageas gains Top Employer certification

Top Employer certificate reflects dedication to the creation of a better workplace through excellent HR policies and people practices.

Ageas Corporate Centre, AG and AG Real Estate were all individually recognised in Belgium, distinguished for career opportunities, continuous learning and development, sustainability, and strong employee empowerment. Ageas UK has also been recognised as a Top Employer.

28/01
Ageas awarded for Best Sustainable Insurance Solutions in Europe

Award recognises Ageas for strong commitment to sustainability.

The award presented by CFI.co, recognised the cumulative impact of various sustainability initiatives reflecting the Group's pledge to put sustainability at the heart of its decision-making with a special focus on product innovation, responsible investing, reduction of emissions and increasing economic and societal value for customers.

23/02
Ageas reports full year 2021 results

The Group delivers on all financial targets in Connect21 strategic cycle.

Ageas reaches a net result at the top end of the guidance and a double-digit growth driving inflows to EUR 40 billion (at 100%), thanks to the solid commercial performance across regions and businesses. Ageas proposed a gross cash dividend of EUR 2.75 per share.

04/04
Ageas UK sells Commercial Lines business to AXA Insurance UK PLC

Transaction allows Ageas UK to fully focus on the further development of its Personal Lines business.

This sale aligns with Ageas UK's strategy to focus its time and investment on growing the intermediated Personal lines business, particularly where it is traded electronically, where it has a strong heritage and market-leading experience with a reputation for successfully backing insurance brokers.

25/08
Ageas announces the closing of the Fortis settlement

Ageas confirmed that the final instalments to claimants have been paid by the claims' administrator, finally bringing to a close the Fortis settlement for almost all claimants.

30/08
Ageas partners with MDRT to grow agency distribution

As a global official sponsor of Million Dollar Round Table professional association (MDRT), Ageas gains a strategic lever for its ambition to grow agency distribution. This three-year partnership enables Ageas to improve distribution development and diversification as well as commercial excellence as part of the Group's Impact24 strategy.

Read more about these events on our Annual report website.

06/09
Ageas partners with eBaoTech to leverage its Digital platforms' strategy

Partnership helps Ageas to leverage the strengths of Digital platforms and ecosystems.

In pursuing growth, Ageas is exploring ways to participate in ecosystems and the platform economy embracing the opportunities that emerge from increased digitisation. Ageas chose to partner with eBaoTech Corporation (eBaoTech), a global digital solution provider for the insurance industry, leveraging its InsureMO® platform.

07/09
Ageas and Capricorn Partners invest EUR 1.8 million in Transition

Investment in Belgian start-up allows company to accelerate growth and enable continuous innovation.

Trensition is a B2B AI-driven strategic intelligence company. It has built a platform fuelled by big data and in-house AI models to provide tailored trend insights to corporate clients, government entities and consultants. Trensition is a dependable long-term partner of Ageas in the context of Ageas's annual trend-scanning exercise.

08/09
Ageas starts third-party reinsurance activities as Ageas Re

Ageas extends its reinsurance offering outside of the Group.

Under Impact24 Reinsurance is a key engine for future growth and is already a significant internal contributor to the profitability of the Group. Ageas also holds a 25% stake in Taiping Re. By developing the reinsurance activity through writing third-party business, Ageas will further increase the benefits from diversification.

21/09
Ageas completes acquisition of majority stake in Ageas Federal Life in India

Ageas acquires the remaining 25% stake of IDBI Bank in the Indian Life insurance joint venture Ageas Federal Life Insurance Company Ltd. (AFLIC).

With this transaction, Ageas increases to 74% its interest in a joint venture that it has operated together with IDBI Bank and Federal Bank since 2006. Federal Bank maintains its 26% stake in AFLIC while IDBI exits as a shareholder but remains a distribution partner.

15/11
Ageas appoints new Chief Financial Officer

Wim Guilliams named CFO Ageas and successor to Christophe Boizard.

Wim Guilliams will take up his new role in June 2023 subject to regulatory approval, following the retirement of Christophe Boizard after a tenure of 11 years. Wim joined Ageas in 2015 and was formerly CFO of AG in Belgium. Most recently he led the implementation of new IFRS17 accounting rules.

01/12
Ageas accelerates transition to net-zero carbon emissions in investments

Ageas joins Net Zero Asset Owner Alliance (NZAOA) moving its long-term 2050 commitments for its investment portfolio to a 2030 partial target.

As the first Belgian Asset Owner to join NZAOA, Ageas has made a strong commitment to reduce the carbon intensity of the investment portfolio of its European consolidated entities by 50% by 2030.

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Our 2022 performance

Financial & Operational Performance

"In this first year of Impact24, and my last full year as CFO of Ageas, I am pleased that we were able to deliver solid results across the Group against the backdrop of unfavourable financial markets in Asia, rising inflation and adverse weather conditions in Europe throughout the year. The strong operational performance and solid capital position allows us to deliver on our progressive dividend commitment. Still in 2022, we further reduced our reliance on a grandfathered debt instrument, successfully closing a liability management action on a legacy securities instrument.

Christophe Boizard,
CFO Ageas

IMPACT24 - FINANCIAL & OPERATING TARGETS	Target by end 2024	Performance 2022	Performance 2021
Non-Life Combined Ratio	95%	**96.5%**	95.4%
Life Guaranteed margin	85-95 bps	**91 bps**	99 bps
Life Unit-Linked margin	30-40 bps	**36 bps**	35 bps
Group Solvency II_{ageas} ratio	175%	**218%**	197%

"I'm honoured to be taking up the role of CFO of Ageas and thrilled to continue the excellent work of my predecessor. Ageas has a strong reputation for delivering and I look forward to working with the Group's entire finance community and the business to contribute to the achievement of our objectives and to Ageas's sustainable growth.

Wim Guilliams,
Deputy CFO Ageas

Get to know our future CFO and his views on the role of Finance in the success of Ageas.

Non-financial & Sustainability Performance

If anything, the past year increased our conviction that Impact24 is the right plan at the right time.

Gilke Eeckhoudt,
CDSO Ageas

With Impact24, sustainability sits at the heart of everything Ageas does. Next to the financial and operational targets on which Ageas has already been reporting, specific non-financial and sustainability targets have now assumed a prominent place to demonstrate progress on the commitments taken towards the Group's stakeholders.

Throughout the year, we took important steps in delivering on our Impact24 strategic ambitions in terms of growth, commercial excellence, integration of data & technology, our people and sustainability. As a result, our non-financial and sustainability targets, reported for the first time, showed good progress on many fronts.

IMPACT24 - NON-FINANCIAL & SUSTAINABILITY TARGETS	Target by end 2024	Performance 2022	Performance 2021
Competitive NPS*	Top quartile in all markets	**25%**	25%
Percentage of GWP from products that stimulate the transition to a more sustainable world	25%	**21%**	16%
Employee NPS**	Top quartile	**56**	62
GLASS CEILING INDEX (Via Women in Finance):			
Ratio % Women in senior management/ total % women in company	70%	**57%**	50%
Balanced (M/F) Succession pipeline Top 800	50-50	**63-37**	65-35
GENDER DIVERSITY INDEX (via Women on Board)**:			
Equal participation of women at decision level	Top quartile	**0.75**	0.68
Investments making a positive contribution to transition towards a more sustainable world	EUR 10 billion	**EUR 10.3 billion**	EUR 9.9 billion
Level of ESG-integration of investment decisions	100%	**+99%**	+90%
Carbon emissions of the operations (scope 1 & 2)	Neutral	**Neutral**	Neutral

The Impact24 non-financial and sustainability targets apply to the consolidated entities excluding Ageas Federal Life Insurance.
** % of consolidated entities with a top quartile cNPS.*
*** Benchmark 2022 not yet available.*

Read more on our first-year achievements under Impact24.

Solid Group performance

Group net profit for the full year 2022, excluding the impact of the financial markets in Asia, exceeded the EUR 1 billion mark reflecting the solid result in Belgium and the strong underlying result in Asia. The Life margins for the consolidated entities all met the Group's Impact24 targets, while the Non-Life Combined ratio slightly fell short mainly due to above average bad weather. The Operational Free Capital Generation, including both the Solvency II and the non-Solvency II scope, amounted to a strong EUR 1,172 million. This supports the Group's commitment of a dividend per share growth trajectory of 6-10% over the current strategic cycle Impact24.

Group inflows including the non-consolidated entities (at Ageas's part) were 2% up compared to last year and amounted to EUR 16 billion. Growth in Life inflows was driven by new business sales in China, supported by a strong fourth quarter. In Portugal and Belgium, the volumes in individual Life products decreased due to uncertain financial markets. Non-Life inflows increased in the mature markets of Belgium and Portugal as well as in the Asian partnerships, driven by portfolio growth and tariff increases in response to increased inflation.

The **Non-Life combined ratio** for the consolidated entities stood at 96.5%, including a higher-than-average impact of adverse weather across the year (4.3 pp), affecting the profitability of the European and reinsurance segment in particular. The impact on the Group net result amounted to EUR 144 million.

At 91 bps, the **Guaranteed operating margin** of the consolidated entities was comfortably within the target range. The impact of the volatile equity markets at the beginning of the year was fully compensated for by gains realised on transactions on the Real Estate book.

The Group **Unit-Linked operating margin** continued its steady improvement and stood at 36 bps driven by improved expense margins in Belgium and Portugal.

The 2022 **Group net result,** excluding RPN(i), amounted to EUR 871 million. When excluding the non-recurring capital gains and the impact from the financial markets in Asia, the net result excluding RPN(i) would have reached EUR 1,062 million.

Life Technical Liabilities for Ageas's part excluding shadow accounting for the consolidated entities, decreased 1% compared to the end of 2021, due to market volatility, mainly in Unit-Linked products. The increase in the Life Technical Liabilities in the non-consolidated entities was driven by continued growth in new business and high persistency levels.

Ageas's **Solvency II$_{ageas}$** ratio increased by 21 percentage points over the year, to a high 218 %, largely above the Group's target of 175%. This increase was driven by the strong operating performance of the Group and by the rise in interest rates. The contribution of the insurance operations fully covered the accrual of the expected dividend.

Key Figures

in EUR million	2022	2021
Net result Ageas	**1,010.5**	**844.8**
By segment:		
- Belgium	463.7	400.4
- Europe	116.3	179.7
- Asia	244.7	402.7
- Reinsurance	31.5	87.2
- General Account & Elimination	154.5	(225.3)
of which RPN(I)	139.5	(100.6)
Net result Ageas excl. RPN(I)	**871.0**	**945.4**
By type:		
- Life	631.5	742.4
- Non-Life	224.9	327.7
Weighted average number of ordinary shares (in million)	184.2	186.8
Earnings per share excl. RPN(I) (in EUR)	**4.73**	**5.06**
Gross inflows at Ageas' share (incl. non-consolidates entities)	**16,457.1**	**16,133.7**
By segment:		
- Belgium	4,957.2	5,006.3
- Europe	3,378.1	3,746.1
- Asia	8,121.9	7,381.2
By type:		
- Life	11,333.6	11,224.7
- Non-Life	5,123.5	4,909.0
Combined ratio	**96.5%**	**95.4%**
Operating margin Guaranteed (bps)	**91**	**99**
Operating margin Unit-Linked (bps)	**36**	**35**

	2022	2021
Shareholders' equity	**7,582**	**11,914**
Net equity per share (in EUR)	**41.29**	**64.14**
Net equity per share (in EUR) excluding unrealised gains & losses	**45.61**	**43.43**
Return on Equity - Ageas Group (excluding unrealised gains)	**12.3%**	**10.9%**
Group solvency II$_{ageas}$	**218%**	**197%**
Life Technical Liabilities (consolidated entities)	**73,905**	**78,192**
- Life Technical Liabilities excl. shadow accounting	74,186	75,233
- Shadow accounting	(281)	2,959

For more details on the 2022 performance, we refer to the 2022 results press release.

Belgium

Impact24 is a plan that helps us to grow. It allows us to increase our market share and solidify our leadership position thanks to strengthened partnerships, innovative products, improved customer experience, and a capacity to incentivise our stakeholders to transition to a more sustainable world.

Heidi Delobelle,
CEO Belgium

N° 1 player in the Life insurance market

N° 2 in Non-Life

3 million customers

1.2 million cars covered

EUR 464 million net Profit

2022 performance

Full year **inflows** remained more or less flat compared to 2021 with a solid growth in Non-Life (+4%) compensating for the decrease in Life (-4%). Non-Life inflows recorded strong growth in Motor and Household, driven by tariff increases and portfolio growth. Life inflows decreased in both Unit-Linked and Guaranteed due to lower volumes in the bank channel partially compensated for by an increase in Group Life.

The **Life Guaranteed operating margin** reached 89 bps slightly lower than last year due to a minor difference in capital gains. Excluding the allocated capital gains, the guaranteed technical margin is broadly in line with last year. The **Unit-Linked operating margin** reached 41 bps exceeding the target range driven by an improved net underwriting margin.

The **Non-Life combined ratio** stood at 93.8% including a 3 pp impact from adverse weather in the first half of the year. The strong performance was driven by favourable claims experience and higher volumes in Household & Motor.

The full year **net result** increased 16% thanks to an excellent Non-Life performance and a solid Life result in a challenging market environment.

Read the full interview with Heidi Delobelle on the 2022 achievements & performance in Belgium.

Europe

“

Impact24 provided business with new potential for growth by combining a continuous eye on profitability, through a more human and emotional approach with sustainability at the heart of our business and everything we do.

Steven Braekeveldt,
CEO Portugal

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

14.3 million customers

N° 2 Life insurance company in Portugal

N° 2 insurer in Life and Personal Accidents in Türkiye

1.8 million private homes covered in the UK

2022 performance

Overall, the year-to-date **inflows** for Europe at constant exchange rate decreased, with Life inflows down, and Non-Life up. Life inflows decreased 18% at constant exchange rate, impacted by a reduction in Unit-Linked products in Portugal. The off-balance-sheet flexible pension products in Portugal contributed EUR 75 million in 2022. Non-Life inflows grew 6% at a constant exchange rate, with Portugal and Türkiye respectively achieving an increase of 9% and 94%, while inflows in the UK decreased 11%. UK inflows reflect reduced volumes due to pricing discipline being applied in response to the inflationary environment, and non-core run-off portfolios exited in line with focussed UK strategy.

Life **Guaranteed operating margins** decreased to 105 bps, while **Life Unit-Linked operating margins** amounted to 31 bps, a decrease compared to the same period last year driven by lower profitability in France.

The **Non-Life combined ratio** for Europe stood at 100.0%, a deterioration compared to 2021. The 2022 combined ratio was impacted by the floods in Portugal, the February storms and December freezes in the UK (5.3 pp) and claims inflation.

The **net result** amounted to EUR 116 million, reflecting the impact of the application of IAS29 (hyperinflation accounting) for both our Turkish operations, AgeSa and Aksigorta, for a total of EUR 27 million. The net result also reflects the contribution from the sale of the commercial lines in the UK in Q1, which amounted to EUR 45 million, and the impact of February storms and December freezes in the UK.

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We’ve made great progress in becoming a leading personal lines insurer in the UK during 2022, underpinned by our sharp focus on customers and strengthening our standout capabilities. This progress reflects the dedication of our people and the continued support of our distribution partners.

Ant Middle,
CEO UK

Read the full interview with Ant Middle on the 2022 achievements & performance in the UK.

Asia

We have continued to build, to invest and to expand our business in Asia despite what has been an exceptionally challenging time for all. We are extending our reach and footprint across the region. We are pioneering new digital channels that represent firsts for the Group. And we are strengthening our commitment to doing business in the right way through a range of new ESG initiatives, making a positive impact on society.

Gary Crist,
CEO Asia

29,300 employees

EUR 8.1 billion gross inflows

29.4 million customers

More than **450,000** brokers & agents

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

2022 performance

Inflows in Asia were up 10% over the year, driven by new business growth in Life, a strong sales momentum in Non-Life and a favourable foreign exchange rate evolution. The commercial performance in Life benefitted from a strong fourth quarter in China, with new business increasing by 36%. In Non-Life, inflows were up 29% over the year, with double-digit growth across countries and business lines.

The **net result** over the year reflected equity impairments in the context of bearish financial markets and the continued decrease of the discount curve in China. When excluding these market impacts, as well as the EUR 50 million positive capital gain from the step up to 74% in the Indian joint venture Ageas Federal Life, the underlying result amounted to a high EUR 627 million, strongly up compared to last year, thanks to an excellent operating performance in Life. In Non-Life, the result was impacted in the fourth quarter by an impairment on the Indian joint venture Royal Sundaram General Insurance facing a challenging personal motor market environment.

Reinsurance

Under the Impact24 strategy, Reinsurance was given a prominent place as one of the new engines for future growth. This year, we have taken an important step with the creation of Ageas Re through which the Group will write inward treaty business from unaffiliated insurers. In 2022 we participated already in the renewals for the 2023 reinsurance underwriting year.

Antonio Cano,
MD Europe

2022 performance

Reinsurance gross **inflows** amounted to EUR 1.6 billion, of which EUR 1.4 billion was from the internal quota share agreements. Excluding last year's reclassification of inflows from Portugal (EUR 66 million), the total reinsurance inflows increased by 1% year-on-year.

The **full year result** from the quota share agreements reflects the results of the ceding entities, while the total reinsurance result benefited from favourable prior year results. The Q4 net result was impacted by the quota share agreements as a result of unfavourable claims in the UK (freeze event) and Portugal (floods).

On September 8th, 2022, Ageas announced further steps in delivering against its Impact24 strategy by opening its reinsurance activity to third parties, outside its Group perimeter. The 1/1/2023 reinsurance renewals were the first ones where Ageas participated as an external reinsurer, through **Ageas Re.** Thanks to the significant hardening of the reinsurance market, Ageas Re benefitted from improved terms and conditions throughout its portfolio. Ageas Re successfully implemented its plan, writing premiums at the upper end of the EUR 20-30 million guidance for the 1/1 renewals. Ageas Re focused its direct reinsurance underwriting mainly on the European markets, mainly in the property and CAT segment.

1st time underwriting as external reinsurer through Ageas Re

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

4 Strategy and business model

Ageas's new 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 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 **14 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, Markets in Financial Instruments Directive (Mifid), and, more recently the updated IFRS regulation, the General Data Protection Regulation (GDPR), EU taxonomy and Sustainable Finance Disclosures Regulation (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. And there is more to come, for example the Corporate Sustainability Reporting Directive (CSRD) expected to come into effect 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 risks 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 types 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 decided in 2015 to set up an internal reinsurance activity which allows it to pool group reinsurance protection, retain a larger part of the risk covered for its own account and manage the diversification benefits intrinsic to its solvency framework. In 2020, Ageas acquired a 25% stake in Taiping Re and also started to participate in existing Life reinsurance programmes of its operational companies with the ambition to further develop the reinsurance expertise and exposure. This year, Ageas decided to open its reinsurance activities to third parties, operating under the brand Ageas Re, and will start underwriting for the year 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 it does today to be a stepping-stone towards where the Group sees itself in the future. The choices and investments 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, which have served as the backbone of 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 risk mitigation 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

In 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 distribution and commercial excellence** for its 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. The Group stimulates the groupwide development of new engines with opportunities for growth in the long run: **Health, Protection, Digital Platforms and Reinsurance**. **Home, Mobility and Life & Savings** can be some of our local companies' priorities.

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 and diversify 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.

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

Putting Sustainability at the heart

Ageas recognises it has a duty of care and responsibility to today's generation and to those to come. 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 must sit at the heart of everything that 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.
- **Investments**: Strengthening the Group's responsible investment approach and contributing to solutions around societal issues.
- **Planet**: Reducing the environmental impact across the globe.

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 ten SDGs.

For more info on the Sustainability ambitions, please see note A.5.

Staying accountable

Impact24 is designed to deliver a top performance for all stakeholders. Accountability is ensured through clear KPIs and targets, allowing Ageas and its stakeholders to track the Group's progress in a disciplined way. Next to the financial and operating targets, the new non-financial and sustainability targets strengthen Ageas's commitment to create both economic and societal value.

Please see note A.3 for more of the performance on these targets during the first year of Impact24.

5

Sustainability at the heart of everything we do

5.1 Embedding sustainability in our business

As an insurance group, Ageas is 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 new strategy, Impact24, builds upon the foundation of Connect21 aimed at creating value for all its stakeholders whilst considering the specificities of the various countries. It puts sustainability at the heart of the business as a new strategic choice and reconfirms the Group's commitment to the SDGs. Clear ambitions and targets have been defined and this plan acts as a guide to the entire Group in the coming years 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 Investments;
- Our Planet.

Our ambitions are that:

- We will work towards creating a diverse workforce, ensuring fair and equal treatment of our employees, while fostering a culture of continuous learning while 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.

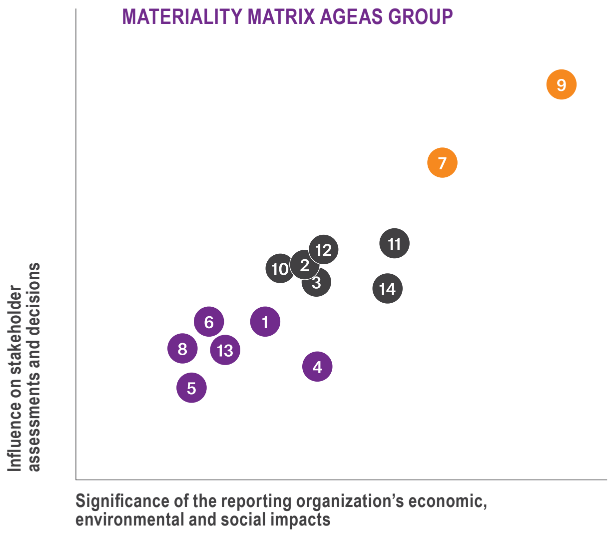
This chapter deep dives into each of these impact areas. Furthermore, it includes Ageas's EU taxonomy reporting and concludes with Ageas's approach to responsible governance and philanthropy. It also provides at the end of the chapter an extended overview of the performance on all relevant sustainability and non-financial performance indicators.

More information on the nine sustainability targets and the complete plan is available on the Impact24 website.

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 first ESG materiality assessment at Group level is presented in the following materiality graph:

How we determine the sustainability topics most relevant to our business. Read more about the materiality assessment.



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 plans to update its materiality assessment in the second half of 2023 applying the double materiality concept as defined under CSRD.

Governance

To implement the Impact24 strategy a new department, Chief Development and Sustainability Office (CDSO), has been created to lead all transversal initiatives in the domains of technology and business development and sustainability across the Group. CDSO has a seat on Ageas's Management Committee. Group Sustainability is part of this new organisation, ensuring sustainability is fully embedded within all processes and especially within product development. 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.

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 strategy implementation, upcoming legislation 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 4 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, 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 H) 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 eligible activities and investments.

Ageas is a signatory to United Nation Global Compact and underwrote the Principles of Sustainable Insurance. For several years, Ageas has been reporting on its response to the TCFD recommendations, but for the first time integrated in the Annual Report. The reports over 2022 are included in the form of reference indices in this Annual Report in note H Other Information UN GC Progress Report Index, note H Other information PSI Index and note H Ageas's response to the TCFD recommendations. Since the start of 2022, Ageas has confirmed its commitment to adapt and implement the Stakeholder Capitalism Metrics of the World Economic Forum. Reporting can be found on the Ageas's sustainability reporting website https://sustainability.ageas.com/reporting

More information on Ageas's strategy and business model can be found in note A.4 of this report; ESG risk are addressed in the note C.4 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 AFLIC and unless otherwise stated. As the acquisition of the majority stake in AFLIC was only completed in September 2022, the collection of sustainability and non-financial metrics is currently in execution. Hence why the 2022 reported data do not yet include AFLIC.

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

These targets link back partly to one of the material topics defined in the materiality assessment in relation to our people "Personal and professional development of our employees" and address also one moderately material topic: "Equal opportunities of our employees". Furthermore, this section will also describe the initiatives Ageas has taken in the context of the 2nd material topic "Health and well-being of our employees". This chapter kicks off with Ageas's view on the work environment of the future.

In 2022 the headcount of the Ageas's consolidated entities grew by more than 35% thanks to the acquisition of Anima in Belgium and the majority stake in AFLIC.

5.2.1 A Great place to Grow: turning the strategic plan into reality

2022 marked the start of Impact24, Ageas's 3-year-strategic plan, and the impact of the Covid-19 pandemic was still very much evident with many restrictions still in place: offices had not yet fully re-opened, commuting & travel were heavily impacted, and many hygiene measures were still applicable. By the end of 2022, day-to-day life looked quite different, with some aspects returning to 'normal', while other elements had drastically shifted, for good. Well-being, belonging, collaboration and being part of a bigger purpose became top priorities for both employees and employers worldwide, and they remain an ever-evolving challenge today.

Alongside customers, Ageas's employees are at the very core of its business. That is why Ageas continues to build on the pledges it has made towards them. The Group sets out a clear ambition to be a Great place to Grow for all employees and under the umbrella of 'Smarter Together' and 'Supporter of Your Life' Ageas was well equipped to be able to anticipate and react to the new reality swiftly and with purpose.

'Sm@rter Together' is the ongoing and continued response of Ageas Group to the challenges of the future of work. Among other things it tackles the way in which Ageas works together, locally and globally, within the new reality of hybrid and remote working, and conceives and designs the physical workplaces from where its employees work, with a focus on collaboration, connectivity, and digital capabilities.

Sm@rter Together - a global approach with local implementation

Throughout the Group, the different entities design, implement and manage a local approach and action plan, under a set of common Group themes:

- Teleworking;
- Investments in new offices and employees' home office;
- Policies & processes;
- Collaborative digital tools to support hybrid working;
- Change management programmes to support an adaptive leadership, culture, and team collaboration aligned to Ageas's values.

At AG in Belgium, a change management trajectory for people managers and employees, 'Working Sm@rter Together' was launched, to maximize the benefits of this new approach for individuals, teams and the Group as a whole. This included training programmes, tips, inspiration sessions and challenges, designed to improve collaboration and efficiency with a focus on the person and attention to self-care. This approach envisages a stronger work-private balance, supported by flexible hours, and the provision of fully equipped home-offices. In parallel, the role of the physical workplace was also reassessed, with a focus on productivity, interaction and connection between colleagues when present in the office.

Having already embraced hybrid working during the pandemic, Ageas UK further strengthened its approach through the launch of 'smart' working, enabling the majority of its employees to work flexibly at home or remotely. Smart working is also being trialled within its operational centres with the establishment of a fully remote pilot team. This has allowed people in roles who traditionally might not have had flexibility to also benefit, for example within claims and customer operations. But there have been other benefits too. The constraints of geographical boundaries are removed when recruiting, which means that the company can recruit from a wider area as well as attract people who might not previously have been able to enter the workforce due to childcare or a disability. Smart working has also had a positive impact on people's mental wellbeing as well as an improvement in work-life balance. These measures have been positively received by its employees and this is reflected in the employee feedback scores and provide a key differentiator for Ageas UK in a crowded recruitment market.

Ageas Portugal launched a dedicated app, to manage the 'Flexwork' concept as well as several services within the new smart buildings, called 'FlexNow'.

Sm@rter Together - moving into 'Great places to Grow'

In creating a 'Great place to Grow' for the Ageas employees, a dynamic work environment, adapted to the new reality of hybrid working, is at the core. The right physical office that keeps people connected also matters. Ageas wants to create a work environment that is inspiring, flexible, digitally smart, and with trust-based collaboration and employee wellbeing front and centre. A space that reflects the culture and values, the backbone of the company.

While the foundations were laid in 2021 – literally and figuratively speaking - with the creation and works and building of new sustainable workplaces through different locations, 2022 saw delivery of Ageas's newly constructed Great places to Grow.

- A new campus at AG Belgium: a brand-new state-of-the-art learning and innovation center;
- Ageas Portugal Group inaugurated two new buildings: Ageas Tejo in Lisbon and Ageas Douro in Porto;
- Ageas Corporate Centre will turn into the Ageas HUB in 2023, when moving into the BREEAM certified Manhattan building in the North quarter of Brussels.

Bricks reflect the physical side of Great places to Grow. Reinvent workplace is a multi-year project in which AG in Belgium rethinks and redesigns the physical workplace, in order to leverage on the potential of, and to align the reality of the offices with, the new way of working in the Smarter Together approach. The key element in Reinvent Workplace at AG is the involvement of the employees who are pro-actively involved in the design, evaluation, testing and finetuning of the end product – their personal work floor.

These new buildings offer new opportunities for being 'supporter of your life': Ageas Portugal Group aims at becoming a positive reference in social inclusion in Portugal. In that context, Ageas Portugal Group has partnered with social associations for its catering area of both buildings for e.g. training young adults with intellectual and development difficulties or people in vulnerable situations.

Read more about Ageas's initiatives in terms of diversity and inclusion.

5.2.2 Diversity & Inclusion

	2022	2021
Balanced succession pipeline top 300 (top 800 minus top 300, male / female)	63/37	65/35
Glass Ceiling Index (GCI)	57	50
Gender Diversity Index (GDI)	0.75	0.68

Both our Glass Ceiling index and the Gender Diversity index show considerate improvement and good progress towards our ambitions for 2024.

Ageas has a clear commitment to diversity and inclusion, expressed through its Diversity and Inclusion Policy, and the ambitious Impact24 targets.

Ageas as a Group ensures that all employees feel welcome, respected and are given the opportunity to realise their potential within the organisation. The Group Diversity and Inclusion plan, launched in 2020, aims to develop an inclusive workplace for everyone no matter their gender, age, sex, disability status, ethnicity, nationality, sexual orientation, religion etc.

The Global Diversity Forum is comprised of representatives from Ageas's businesses across the globe (including some of our joint ventures). It spearheads efforts to deliver on the Impact24 diversity targets, as well as other aspects of diversity and inclusion, across the business.
Addressing the representation of women in senior management is currently Ageas's primary diversity and inclusion goal and in 2022 the following actions were taken to deliver on this:

- D&I action plans in every Ageas entity were developed, focused on improving female representation in senior management.
- In collaboration with Women in Insurance (UK) and European Women on Boards, development opportunities were offered to talented female managers and high potentials.
- Ageas continued to evolve its hybrid working approach to help attract and retain employees through a flexible working offering.
- A survey of all senior management was conducted, inviting them to share their perspective of D&I at Ageas. The findings will be used to shape future interventions and to improve D&I at Ageas.
- Special sessions for senior women were held to meet Executive management to hear how they developed their careers and to receive advice and ideas on development.
- Gender Equality reports for all entities were provided, including the Gender Pay Gap.
- The Women in Insurance ('WIN') development programme was piloted for future female leaders on a global basis. Ageas UK won the Insurance Times' Diversity and Inclusion award in 2022 for their WIN programme.
- A global comms campaign was launched to demonstrate the Group's commitment to gender equality for International Women's Day, featuring Ageas' Group CEO and other Management Committee members, #Ageasbreakthebias.
- Membership of the Belgian Women in Finance initiative and European Women on Boards, as well as other diversity-focused organisations in different local markets.

The WIN Programme at Ageas UK is now in its sixth year and it has seen 157 women complete the WIN programme with 25% subsequently being promoted internally.

In Portugal, Ageas launched its Diversity and Inclusion strategy focused on gender, and beyond including:

- A renewed commitment to the Inclusive Community Forum (ICF) from Nova SBE;
- Integrating employees in the Youth Programme – PWN programme to promote a new generation of female leadership;
- A commitment to integrate employees with disabilities, in line with the measures that the D&I Strategy is addressing (Inclusive Recruitment) into the normal recruitment process.

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, and strong team. At Corporate Centre, a new initiative, “Diversity week” celebrated the mix of different nationalities providing a platform for colleagues to share the characteristics of their culture and how they personally experience the advantages of diversity in their daily working.

In Belgium, AG focuses on training ‘recruiting without biases’ with an emphasis on the importance of focusing on biographical, motivational and competency-based questions in order to avoid (unconscious) biases when assessing candidates. AG continues its inspirational and development programme for more experienced employees, the ‘experienced talent’-programme, and through the ‘women’s community’ on the internal social network, women can share knowledge and experience in an informal way.

And finally, to achieve a consistent view across the Group, the operating companies introduced 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 achieved an approval rate of 76% and 75% respectively.

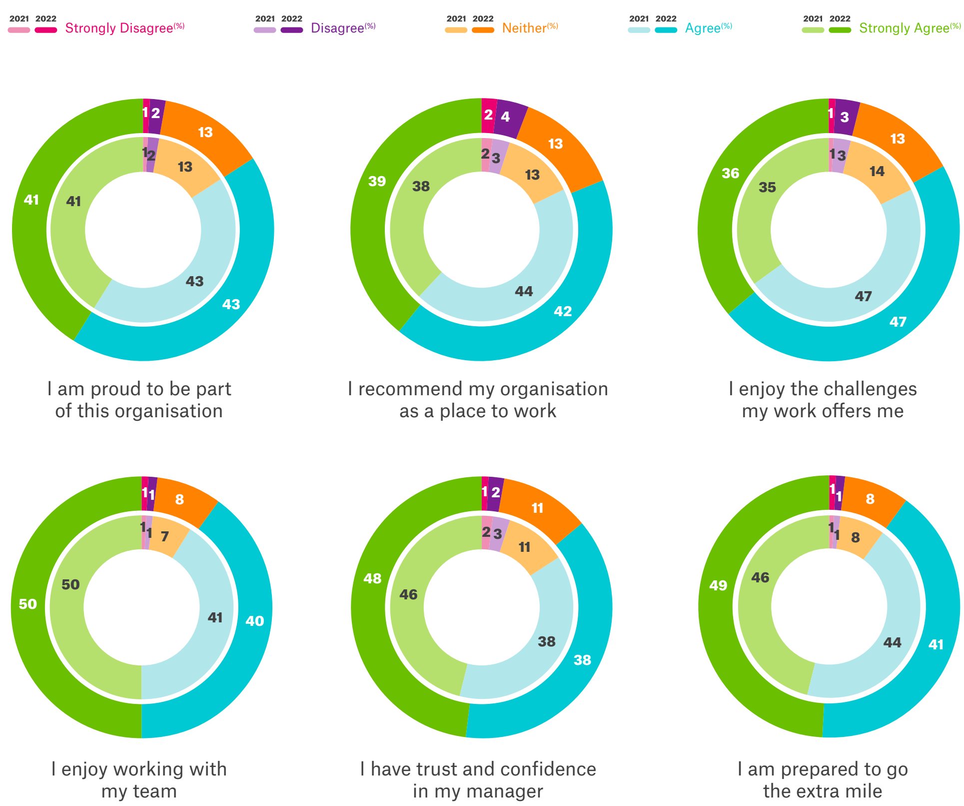
5.2.3 Employee Experience – Supporter of your life

	2022	2021
eNPS	56.0	62.4

Ageas’s employees participated well to the engagement survey, on average the participation rate was at 88 %. The E-NPS remaining at high level with a score of 56, close to top quartile.

Annually, Ageas conducts a group-wide employee engagement survey. In 2022 engagement levels were once again high, and the outcome shows the increasing trust and confidence employees have in the company.

- “I am prepared to go the extra mile” and “I enjoy working with my team” received the most support. 90% of employees agreeing or strongly agreeing.
- “I have trust and confidence in my manager” continues to improve year on year from an approval rate of 84% in 2021 to 86% approval rate in 2022.



Different activities were undertaken throughout the Group to support employee engagement:

- Promoting a 'People First' philosophy to ensure a focus on employee wellbeing;
- Review of how work and meetings are being organised to ensure working Smarter Together;
- Enhanced in-house leadership programme to improve collaboration across departments;
- Evolution of the learning management system;
- Introduction of 'growth' conversations for career development;
- 'Career Talks' introduced for all employees;
- Restructure of the onboarding programme to move to a 100% face to face model;
- Improved off-boarding process to better understand why employees leave the company;
- Continued engagement with employees and their immediate families;
- Recognition of committed employees via Service Awards;
- Targeted activities to address local priorities such as the cost of living crisis in the UK;
- Culture ambassadors appointed to help embed our culture;
- Volunteer teams to help improve internal communications and provide feedback.

And one local initiative that draws the attention: in India, family members of the employees can become "Family Ke Superstars" in the categories of Academics, Sports, Fine Arts and Social Work; employees nominate a family member, an independent jury evaluates, and winners are rewarded with cash awards, a certificate and personalised letter signed by CEO.

5.2.4 Talent Management, Talent Retention and Talent Development

The Impact24 skills plan focuses on the leadership and behavioural 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 translated into tailored programmes delivered by the Ageas Academy programmes.

Talent Management approach

Succession plans for senior management indicate a strong bench strength, limiting the operational risks in business continuity. In addition, continued career conversations and dedicated development tracks for key players and high potentials reinforce the talent pipeline.

To support career aspirations and ensure talent retention the following actions were put into place:

- 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 across the Ageas entities to broaden the talent management actions with opportunities in the Group, such as cross-entity mentorships, international assignments, and participation in Academy programmes;
- An evaluation of the Ageas's talent management practices in IT given the global market conditions for the IT function;
- Career conversations between Management Committee members and high potentials to increase visibility.

Finally, to stimulate career conversations and create a Great place to Grow for all employees, a standard template to indicate career preferences was introduced in three operating companies facilitating the structural sharing of career information and integration. This template includes questions to help reflect on aspirations and consider the different options available in terms of career progression. It serves as a conversation starter between employee and manager by structurally capturing employee aspirations.

Ageas Academy reflects priorities of Impact24

The Academy supports the implementation of Impact 24 with development programmes in leadership behaviour, adaptiveness, resilience, and technology.

As well as the continued delivery of successful programmes such as 'Leadership Resilience', 'Creating business value with Technology' and 'Leading Adaptive Organisations', the Academy organised 'Exploration Treks'. These focus on learning from external examples in the implementation and execution of business strategies. In collaboration with the Chief Development and Sustainability Office and with third party support, strategically curated speakers shared their best practices, learnings and success stories on key topics driving Impact24. The topics in 2022 dealt with 'Efficiency through data and technology', 'ESG related insurance products' and 'Protection insurance'.

In the Dare series, monthly virtual keynotes from external experts were made available to a wide target population, and topics such as sustainable IT, growing a feedback culture, customer experience, ecosystems, and high performing teams were covered.

Finally, following the successful roll-out to the Top 800 in 2021, the e-learning programme 'Sustainability with Impact' was made available to all Ageas employees

Leadership skills for a 'Great place to Grow'

Ageas reinforced its investment in leadership development in 2022. After the roll out of the executive Development Journey in 2020 and 2021, the journey for senior managers with the Leading by Ageas Values programme was continued. This programme offers senior managers the opportunity to assess their Ageas Leadership behaviours. The journey, developed in collaboration with a professional third party, offers a combination of online questionnaires and coaching sessions designed to discover leadership strengths but also areas of development.

In addition, a customised 360° leadership scan, based on the four values: Care, Share, Deliver, Dare, was applied 70 times in local development initiatives and conversations. This enabled continued analysis and identification of development opportunities across multiple programmes, both within the local entities and at Group level.

Finally, a group of potential future leaders completed the Ageas Leadership Programme. Next to the specific focus on leadership behaviours, attention was given to strategic thinking and networking opportunities with peers and Management Committee members. Projects with a Group focus were delivered on topics such as: 1) partnerships with a major digital player on a continental scale (Europe or Asia), 2) customer segmentation strategies, 3) use of data to improve the Customer Experience, 4) distribution of protection products and 5) frameworks for sustainable investments.

5.2.5 Talent Attraction & Onboarding

The year 2022 was also marked by a general shortage of talent, with companies experiencing quite some challenge in finding and attracting the right talent. Ageas was no exception, but several initiatives were taken in order to attract talent and support that talent during the first months of their onboarding.

At Ageas Portugal and at Ageas Corporate Centre, an Internal Referral Programme was successfully introduced in the course of 2022, which saw 24% of new hires coming from employee referrals at Corporate Centre. At the same time, the onboarding process already in place at Corporate Centre, was further optimized through the implementation of a Buddy Programme, which aims to facilitate the immediate personal connection between new hires and the wider organisation, helping to drive employee engagement and time-to-productivity.

At AG, in Belgium, the "AG College" went live at the beginning of 2023. This unique approach to attracting and developing talent, led to 20 people without a degree in higher education, being given the opportunity to embark on a new professional adventure. Over a period of six months, they will follow a unique learning and coaching programme to become an Insurance Officer in Motor. Participants are paid during training and they receive a permanent contract which is confirmed on successful completion of the programme, which includes a salary increase and access to all employment benefits at AG Insurance. They remain part of the team they got to know already and they have the opportunity to develop further.

At Ageas Portugal, 'Ageas Trip' has been developed in order to continue to welcome and integrate new employees in the most complete way. In 2022, four onboarding sessions in face-to-face and remote format, took place, in which 134 employees participated. The set-up allows newcomers to get to know the reality of business through round tables, in combination with a more intimate moment, called – "I am as I am" - where three invited employees, with a diverse and interesting career path, share a little of their career and their professional path inside and outside.

AFLIC has a 'Anubhava'- New Joiner Survey installed to proactively gauge the employee's experience in a structured way, from the initial stage of their joining, and at three moments within the first two months of starting the job. The input serves as source of inspiration to continually strengthen the on boarding process.

These initiatives were appreciated by employees but also recognised externally. Ageas UK and in Belgium at Ageas Corporate Centre, AG and AG Real Estate received the certification of "Top Employer".

5.2.6 Health and well-being

Being a 'Supporter of your life' is not only a firm commitment towards customers, but it is also a firm commitment towards employees. Continued efforts are underway to further build on a 'People first' company culture with new health and well-being initiatives for all employees, introduced across all entities, both locally and group-wide.

Ageas Portugal launched in the course of 2022 a new area, "Health, Security and Well-being" where the first focus was the Mental Health, including both face-to-face and remote format "Let's talk about your Mental Health" gatherings, free of charge consultations of psychology or a social worker, and launch of the Nutrium Care Programme (consultations, anthropometric measurements, webinars) as nutrition was also defined as a pillar for the Mental Health Program. All information provided to employees has been made available and can be easily accessed on a newly developed intranet on the "People Hub" platform (internal intranet).

And finally, in 2022, the Ageas Challenge was overhauled with many new features and a new concept in which Ageas goes beyond its ambition of living a healthier life: *Move your way to a fitter you and a fitter world.* With a renewed focus on sustainability, Ageas motivated its employees to go plogging, to leave their car aside and walk/bike instead, to eat veggie once in a while. A partnership was also started with Go Forest, an innovative Belgian enterprise, with a mission is to plant trees with impact around the world. Thanks to the sportive contributions of its employees, Ageas planted trees in Belgium, with the UK, India and Portugal to follow soon. All trees planted are monitored through satellite or drone technology and the employees can follow progress on the Ageas Challenge platform.

Of course, physical challenges remain important as well. The Tour de France challenge - during which virtual teams ride the same distance as professional cyclists in the same period – has become a classic in the meantime. And in May 2022, a group of almost 90 employees from all Ageas entities were finally able to participate in the Lisboa triathlon. For some colleagues, it was the culmination of a very long journey that had been postponed again and again due to covid.

Discover more on how we want to create a Great place to Grow for our people.

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%
- Customers NPS - Top quartile

Ageas has set these targets to respond to the following stakeholders' expectations set 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

Our world is going through profound change with increasing societal challenges. 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. But as a supporter of your life, Ageas wants to go beyond this primary duty and make sure people can live their life to the fullest. It is in this context that the SDGs continue to provide an inspirational framework.

Across the Group, Ageas serves close to 47 million customers directly or indirectly in 14 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.

The launch of Impact24 provides strong momentum as seen through the many examples that bring the above commitments to life in the different businesses of Ageas around the globe, although the scope of the targets is the consolidated entities.

5.3.1 Products that stimulate the transition to a more sustainable world

% of gross written premiums		2022	2021
Total		21%	16%
Of which	Life	22%	18%
	Non-Life	19%	14%

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. By offering products and services that stimulate customers in the transition to a more sustainable world, Ageas increases its impact.

Since no legal definition or benchmark existed in the market, Ageas defined its own methodology. All products and services were mapped against the SDGs to identify sustainable features across the entire value chain and principles were defined to allocate the % of gross written premium (GWP). Only those characteristics that incentivise customers towards more sustainable behaviours met the Ageas's definition, resulting in a starting point of 16% of GWP within Ageas's consolidated entities. This zero-measurement allowed Ageas to establish a common understanding of what sustainability looks like and confirmed that in all lines of business and in all markets, Ageas already has value propositions that clearly correspond to the definition. But the approach also highlighted the potential to finetune the existing offer and to position some products and services more explicitly, offering a choice to the customer. Opportunities were also identified for a more robust offer against important societal challenges such as the energy transition and the protection gap, specifically for vulnerable customers. As described in this chapter, each market has its best practices, some of which could be transferred to other geographies.

LIFE

More and more customers want their money to matter by using their savings as a force for good.

Ageas is committed to broadening its offer towards more impactful savings and investment products. While companies including Ageas France and Ageas Portugal Grupo started the development of their first ESG fund offering, AG in Belgium consolidated its leadership position offering a broad and increasingly large range of sustainable products including pensions, long terms savings and unit linked products. In 2022, AG classified the majority of its products under the Sustainable Finance Disclosure Regulation (SFDR) category Article 8. This category Article 8 relates to products that promote environmental and social characteristics. AG also offers two thematic products that are classified Article 9. Article 9 is for products with a sustainable investment objective. In total, more than 99% of AG products are either Article 8 or Article 9 under SFDR.

All products are managed according to the responsible investment approach of Ageas. For some of these products, Ageas implements stricter ESG criteria such as the requirements of the Towards Sustainability label or with a focus on environmental, climate or social themes. Ageas continues to grow these products. In 2022, the total amount of these products increased to EUR 13 billion, despite market movements. More specifically, AG closed 2022 with some 40 products attaining the Belgian Towards Sustainability label, an increase of close to 50% compared to 2021. Only these products with stricter criteria contributed to the 25% target.

With so many uncertainties on the horizon, insurers play a key role in offering protection against adverse and unexpected life events. In this context, Ocidental Seguros in Portugal launched FORTE in 2022 aiming to fill the gaps in insurance protection for the senior segment, guaranteeing extra support in case of a diagnosis of serious illness. Targeted to customers aged 50+, FORTE also offers customers an opportunity to extend their protection up to the age of 100, a unique feature in the Portuguese market. FORTE provides coverage across 7 serious diseases: cancer, heart attack, stroke, Alzheimer's, Parkinson's, paralysis and blindness, as well as access to an integrated and strong network of 'at home' services including doctors, nursing services, physiotherapy, analysis and non-urgent transport to health units. This innovative life insurance policy is based on a clear benefit: providing capital, but also a set of support services available to all even without a diagnosis of serious illness. And the fixed insurance premium throughout the entire contract, is another excellent incentive for the customer to subscribe.

And finally also Ageas's joint ventures are clearly engaged and active, joining the ambition to incorporate sustainability in their products and services. Although not included in the Impact24 targets strong traction around the creation of value propositions towards the underserved and more vulnerable customer was noted, which serves as best practices within the Group.

Etiqa in Malaysia is a frontrunner when it comes to protecting those who need it most demonstrating its ambition to improve the lives of 400,000 households by 2025. With more than 78% already reached, this ambition is clearly visible through a range of products and initiatives placing 'inclusion' at the top of the agenda. These range from microinsurance initiatives targeted to the bottom 40% of the population falling into the lowest income bracket in Malaysia (B40), where affordability for insurance covers can be difficult, to others living with severe disabilities, where health insurance is so critical.

Through i-Care OKU, a first in the Malaysian market, Etiqa offers one-year coverage for persons with all types of disability from visual, hearing, speech, or physical disabilities. With a low entry premium of just RM 0.33 a day for coverage of up to RM 40.000, benefits include a special care benefit, a hospital allowance, death coverage. This new product completes a range of existing covers supporting the specific B40-segment like e-protect family (personal accident insurance coverage to families in need) or e-cancer care (a protection plan to ease financial burden of cancer treatments).

In collaboration with the Employee Provident Fund's i-Lindung initiative, Etiqa launched several other microinsurance propositions providing Life and Critical Illness Insurance to those who cannot easily afford insurance. And as a study conducted in 2019 by EPF highlighted, close to 50% of the Malaysian population did not have medical coverage. So this initiative helps bridging the gap.

In China, TPL (Taiping Life) is actively participating in two government sponsored programmes targeted to people with lower income. The first programme offers high coverage for critical illness with the premium paid by the government and broadening access to health to complement the public health system. For the critical illness cover, TPL has already collected premiums totalling CNY 408 million (EUR 67 million) reaching some three million citizens, through engagement with Qingdao and Suzhou municipal governments. With respect to the governmental health insurance programme, TPL has covered 130,000 people with premiums of CNY 13 million (EUR 2 million) and with more expected to follow. The second initiative, a tax deferrable health and pension programme, allows citizens to use pre-tax income to buy health/pension insurance products from selected and qualified insurers. This is a very meaningful step to advocate using pre-tax income to purchase insurance. TPL has already covered 26,000 policies with a premium income of CNY 160 million (EUR 22 million). The latest evolution relates to the third pillar individual pension products that have been allowed in the market since last December. The amount is capped at CNY 12,000 (EUR 1,680) per year and this confirms a commitment by the government to further move in this direction.

In these turbulent times with high inflation and economic uncertainty, unemployment can put livelihoods at risk. Agesa in Türkiye is offering such an unemployment guarantee linked to its life credit protection which is quite an exceptional cover in the market. More than half of the customers subscribe this option ensuring the credit instalments get paid for 6 months at once and 12 months in total. A long-term critical illness rider will soon be added to the product increasing further the protection of its customers.

NON-LIFE

Next to its Life business, Ageas also enjoys a significant Non-Life presence within its European business with Motor representing 38% of the Non-Life portfolio and Household 26 % of total consolidated Non-Life inflows. When performing the zero- measurement for the Non-Life lines of business it was observed that several more traditional core products already contain some ESG characteristics. For instance, the repair principle in claims, the automatic inclusion of covers related to electric cars or all the prevention initiatives in Health. The business examples below describe some of the many ways Ageas incorporates sustainability into its existing practices and its Non-Life product offer. These sustainability features contributed towards an initial result of 14% in Non-Life business towards the target. The analysis also showed that there are opportunities to make our offer more robust, by for instance, supporting our customers to make their homes more energy efficient. To further support the work in this area, an innovation challenge will be launched at the beginning of 2023, bringing product, pricing and marketing managers together from around the Ageas's globe to elaborate scalable value propositions for the biggest societal challenges. Solutions to fight climate change and to support the energy transition are clearly part of that agenda as well as solutions to make insurance more accessible and available for all.

Electrification and the sharing economy are fundamentally changing the mobility sector for the better, and this requires insurance products that are part of the solution. Beneficial offerings can also encourage customers to contribute to the circular economy opting for repair instead of replacement.

As an important motor player in the UK market, Ageas pioneered the "repair versus replace" approach by offering green spare parts for motor repair. Green parts are available to all customers and one out of four customers are today choosing this environmentally friendly way of repairing their car. In addition, repairers are undertaking a recycling initiative aimed at substantially reducing the overall waste from repairs.

Also, in the use of Telematics, Ageas UK is a frontrunner. Today Telematics enables car insurance for high-risk populations, incentivising them to adopt a safer driving behaviour.

Ageas UK also offers affordable car insurance to youngsters, encouraging them to drive better and less. Ageas teamed up with UK broker, Marmalade, to support the launch of an innovative new Pay-As-You-Go motor product. This new product for newly qualified young drivers is based on the number of miles driven in a year, making this a cost-effective policy for drivers who cover less than 3,500 miles per year. Marmalade's App & Tag system uses telematics to record the miles driven and tracks users' driving behaviours encouraged by a No Claims Discount for every year they remain claims free. Still in the motor business, Ageas UK ensured its policies supported customers who wanted to use their private cars to deliver humanitarian aid to other parts of Europe in response to events in the Ukraine.

That Ageas UK is committed to contribute to solving societal challenges is also illustrated by the fact it offers the Build Back Better programme. Through this, Ageas proposes to install flood prevention measures up to the value of GBP 5,000 in the homes of qualifying customers who have been affected by flooding.

AG in Belgium is systematically adjusting its core offer to respond to emerging needs strengthening protection for its customers. Some examples: automatic inclusion of solar panels, charging stations and home batteries in its home insurance policy; adapted assistance offer for hybrid and electric cars and also the inclusion of preventive measures in claim repairs like restoring home damages according to new energy norms.

Partnerships are increasingly important in offering customers innovative and comprehensive solutions. Through partnerships with Optimile and daughter company, SoSimply, AG started to support the transition to greener carparks already in 2021. At the end of 2022, AG signed an agreement in principle with BNP Paribas Fortis to purchase a 75% stake in Touring SA/NV, the leading provider of roadside assistance in Belgium.

Together with these mobility partners Optimile, Touring and SoSimply, AG developed a specific package of guarantees and services to accelerate 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 and testing customer owned smart charging stations by subsidiary SoSimply;
- a mobile speed-charging service in case of a flat or defective battery via Touring;
- cover for fire and liability at home charging points included in the standard home and private liability insurance policy, and a compensation feature in the event of a battery fire.

The aim is to encourage customers to change their mobility behaviours and to make the transition to green mobility as easy as possible

Find out more about our sustainable products.

The future of mobility will look very different, but it is equally important to respond to the opportunities existing already today. Belgium counts on average 1 million cars and with a market share of 10%, AG can make a real difference when encouraging its customers to opt for a more eco-friendly way to repair. This is the case with the "AG repair days", where customers are invited to repair minor damage with a low CO_2e impact technology PDR (Paintless Dent Removal). In parallel, AG supports the further professionalisation of the EcoRepair Score®, incentivising all participants in the repair process for recycled products or low impact repair.

Ageas's joint ventures are also clearly committed to the ambition to support their customers in the transition to a more sustainable world.

Etiqa is driving new behaviours and new innovations in the world of motor with the concept Drive Less Save More. In 2022 more than 132,000 motor insurance policies were sold with the Drive Less Save More feature activated bringing the total number up to 11% of the motor portfolio and resulting in more than RM 1.2mio in rebates being paid out through this policy, incorporating discounts as high as 30% of the premium. This product incentivises and rewards environmentally friendly behaviour. Less private vehicles on the roads also means less pollution to the environment. Continuing the road of "industry firsts" Etiqa also launched in 2022 the first-in-Malaysia insurance and takaful cover for Electric Vehicle (EV) Home Chargers. With electric cars on the increase, this complementary add-on to Etiqa's private comprehensive car policy and certificates for newly registered Battery EV or Plug-In Hybrid is well timed.

In Türkiye, Aksigorta has been working with its business partner the PSA Group to create more value by entering the field of "micro mobility" with "Citroën Ami" the producer of electric bicycles in the Group. With Citroën Ami Insurance, Aksigorta confirms its role as a leading brand in niche products. Aksigorta is also helping to drive customer behaviours in home insurance, launching "ecological home insurance" offering a 10% discount to customers who invest in obtaining an energy performance certificate or a green building home certificate.

Rising interest rates, inflation, and the unfolding energy crisis is having a profound impact on the lives of our customers meaning that today more than ever, healthcare needs to be accessible and affordable to all.

This led to Ageas Portugal Group reviewing its product range launching a new healthcare offer "Médis Light" to ensure that all Portuguese people can access healthcare at an affordable price. The offer which provides vital healthcare cover to all, comes at a lower premium but also with scaled back benefits compared to the full healthcare offer. Bundled with Médis Dental, the cover also provides additional dental benefits encouraging customers to take care of their dental health as this is not offered through the Public Health System.

For a reduced monthly premium, customers can have access to a series of benefits from Médis including remote doctor, ambulance assistance, hospitalisation subsidy, family discount, assistance services and others. Since the launch in July, the product led to +9,000 new insured persons added to the portfolio.

Digitisation continues to enable the simplification and accessibility of products. This is also the case with the Health Symptom Checker, available on the Médis app and website. In Portugal, one third of the Portuguese population lacks a sufficient level of literacy in health as confirmed by the Health Literacy Population Survey Project 2019-2021, a study conducted in 17 countries in the WHO European region. This low level of health literacy is particularly present among the elderly which impacts on a higher frequency of emergency services. To promote and increase health literacy and alleviate the health system, Médis launched a new Symptom Checker, completing the Médis eco-system. Through this new tool, users can indicate their symptoms and receive the most appropriate clinical recommendations for their health status, free of charge and with no usage limit. In a simple and effective process, the recommendation comes from an exclusive algorithm in Portugal supported by more than 10 million health assessments and more than 1 million clinical cases. The tool also contains a Health Dictionary setting out the most common symptoms and diseases to provide further clarity. After just 9 months, more than 10,000 consultations were made resulting in 86% of the cases in recommendations.

In Belgium, AG has a longstanding tradition in healthcare and wellbeing of its customers. The Return to work programme as part of the Income Protection offered to companies, has an impressive track record, allowing 70% of people suffering from burn-out to reintegrate into the work environment after six to eight months. This is a major achievement, compared to market averages where 50% of staff members on sick leave due to similar disorders and without access to such an assistance programme, are still not able to return to work two years later. AG continues to professionalise the approach and is for instance investigating if Virtual Reality could be integrated in its solution in order to better prepare people for the real challenges of returning to work.

With the number of people on long-term sick leave breaking new records and putting mental health high on the agenda of companies, AG has now incorporated My WellRi in its Income Protection product, adding an innovative layer by offering a 360° approach that encourages companies to focus much more on prevention. My WellRi is a quantitative and scientific assessment developed by AG's daughter company AG Health Partner, allowing users to identify and prevent psychosocial risk factors. Based on feedback from staff members, companies get a clear view on where they stand which helps to define a wellbeing strategy appropriate for their employees. My WellRI is an example of the services AG Health Partners developed as part of an ecosystem with several partnerships able to contribute towards a total solution for workplace wellbeing. Also in 2022, the content of the AG Health Partner's wellbeing programme was further updated with increased emphasis on financial wellbeing, the development of a fully digital programme tuned to the needs of home- and hybrid workers and the further enhancement of the analytics and reporting part. AG Health Partner succeeded in doubling its revenue compared to the previous year and had over 25,000 eligible end-users in its portfolio at the end of 2022.

AG Health Partner is the first in the Belgian market to offer wellbeing as a service, which fits well in the Group's ambition to spark further growth in Health.

Ageas's joint ventures with Health businesses are also investing 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 (MTL) offers comprehensive health solutions beyond insurance. With MTL Fit, the one-stop health application, MTL combines preventative care and wellness into their approach to encourage healthy behaviours resulting in improved wellbeing and better pricing. Among the features of MTL Fit, the ability to track exercise output and calorie intake via an app, with more features to follow soon. Results are automatically fed into the dynamic pricing model which has the capacity to differentiate customers based on their risk class rather than offering a one-size-fits-all health cover. With MTL Fit, customers get to discover more about their own state of health, with encouragement to improve this by doing the right things. Based on the data received, a personalised health score is created. And with motivation being key to doing better, weekly goals and challenges are set, each of which contributes to the overall risk score. So not only are customers getting fit, but they are also being recognised and rewarded for it. More than 100,000 customers already downloaded the app with 47,000 active subscriptions.

And more is to come with the recent launch of the strategy "SILVER Readiness by MTL" (S=Solution, I=Integration, L=Longevity, V=Value Added, E=Excellence, and R=Readiness), focusing on meeting a wide range of needs for the elderly. MTL wants to ensure peace of mind, allowing the Silver Age (defined from age 40 until 80 years old) to live life to the full supported by products, services, innovations and ecosystem partners that cover all lifestyles. A first series of solutions covering certain diseases was rolled out called "Smart Silver / Smart Silver Plus" including covers as total permanent disability, Alzheimer and strokes and leveraging MTL's nursing homes network. MTL is the first insurer to establish this network guaranteeing the quality of facilities and ensuring direct payments taking care of customers in vulnerable situations.

Aksigorta in Türkiye illustrates in a creative way how it is taking care of its customers. For instance, all female customers who subscribed to the "continue with life" health insurance policy got an invitation for free mammography and breast ultrasound services on the occasion of Woman's day and male customers were offered a PSA test (prostate-specific antigen test) on Father's day. As well, young people aged between 18 and 30 years, received special attention. To encourage youngsters to invest in supplementary health insurance, a special youth campaign provided specific advantages including a 20% discount for inpatient treatment and 10% for plans combining inpatient and outpatient treatment coverage.

5.3.2 Products that have been reviewed for transparency

Communicating in a transparent and understandable way with customers remains a top priority for Ageas. Through Impact24, Ageas wants all products to be recognised by customers as easy to understand.

For this KPI also, alignment was sought with 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.

As transparency to customers can be defined as always communicating in an honest and open way (from designing and marketing products and services to underwriting and claims handling processes), the initial focus is on (pre) sales communication. Information has to be clear and straightforward with customers in terms of the prices of products and services and advertising material must not be misleading (e.g. no "material information within the small print", no "hidden surprises"). A specific working group was created to share best practices amongst the businesses and to define the key challenges including a good understanding of the changing regulatory framework. The Insurance Distribution Directive (IDD) offers a good framework for transparency with two cornerstones being the standardised Insurance Product Information Document (IPID), which aims to provide clearer information on insurance products, so that consumers can make more informed decisions choosing a product that meets their needs and the Product Oversight and Governance (POG) requirements ensuring that the interests of customers take prime importance during product design and throughout the lifecycle of a product, including within arrangements for its distribution.

A mapping on how this regulation is currently applied is being developed in detail for European consolidated entities including initiatives that go beyond. A specific focus is also being given to vulnerable customers. The Ageas's Compliance Teams developed a white paper on how to interact with vulnerable customers inviting all businesses of the Group to adhere to some key principles along the value chain. Transparent communication is critical in this approach which starts with a product design based on the understanding and needs of customers.

Continuous efforts are being made to communicate in simple and clear language and to provide tools to help make informed decisions, as explicitly confirmed already for several years in the Treating Customers Fairly policy.

Because of the typical business model of Ageas, the distribution partner has a crucial role in providing clear and transparent communication to the customer. The AG Business Academy 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. In 2022 more than 4,100 training hours were organised through various courses involving around 10,500 people. The recent adaptation of IDD requesting salespeople to collect information on sustainability preferences from customers and to match customer preferences with products, based on product disclosures under the Sustainable Finance Disclosure Regulation (SFDR) is an example of this.

In Ageas UK, transparency is strongly embedded in the purpose of the company: "understand people + simplify insurance". This purpose can only be fulfilled if propositions are clear, transparent and relevant, ensuring that all communication to customers is simple and easy to understand. Within this strategy sits a strong customer ambition statement translated into a care programme throughout the entire company and going beyond the UK regulation on Treating Customers Fairly.

As the cost of living continues to impact families and individuals, Ageas UK has built on its existing Ageas Care programme, which provides guidance and tools to assist frontline consultants when dealing with vulnerable customers. It is embarking on further training to strengthen employees' skills and development when supporting customers facing financial crisis.

Ageas Portugal Group continues to develop ways to increase literacy on important challenges among its customers as people make decisions every day that have a potentially negative impact on themselves and the world at large. In collaboration with the environmental organisation Quercus, Ageas in Portugal launched an initiative that aims to help customers to pause and reflect on their actions. In 2022, together they created a series of educational videos related to environmental issues, health, and wellbeing. As well as creating awareness on the impact of climate change on health, the videos also shared tips on how to save water, ways to improve the thermal comfort of homes without major expenses and ideas on adapting to more sustainable mobility solutions.

Ageas France has developed a tool based on a good understanding of customer profiles, offering personalised recommendations based on algorithms excluding any potential impact of distribution incentive schemes.

Also for this KPI, the joint ventures illustrate their commitment to contribute to Ageas's ambitions.

Digitisation has a critical role in making products more transparent.

The Chompoo Chatbot which MTL already launched in 2021, became the preferred partner for agents and other sales support, providing them with the most accurate and most updated information on products and processes any time. Chompoo is made available via Line, the widely used messaging platform in Thailand. To date, more than 4,800 agents subscribed to Chompoo, using natural language to ask over 60,000 questions and receiving answers that are more than 96% accuracy. And when sales people are well informed, customers will automatically benefit.

In Türkiye, mobile apps are crucial to inform and support customers in an easy accessible and transparent way.

When Aksigorta launched its new mobile App in 2022 it did so with the aim to make insurance easier and effortless, allowing customers to manage their risks in one place and at one time, including those risks not covered by Aksigorta. It is all about convenience, maintaining an overview and understanding of all policies rather than component parts in different places. Around 170,000 people have already downloaded the App with some 70,000 active users every month. Aksigorta Mobile is a human-oriented ecosystem built on the principles of Trust, Simplicity and Companionship. The app is distinguished by features such as video risk consultancy and one-click live chat with the claims' advisor.

In Türkiye, the life company AgeSA, introduced FonPro, one of the most advanced mobile applications on the Turkish market which operates as a Digital Fund Consultancy. It offers three different service packages geared to the customers' various levels of financial literacy. This service model was developed to reflect customers' insights. In 2022, FonPro went a step further recognising that customers increasingly consider their pension fund more as an investment than a traditional way to save. AgeSa recognised that this evolution opened up an opportunity to introduce a new advisory service that helps customers better understand the potential and options available to them in an investment context.

Transparency extends also to taking care of those most vulnerable. With the successful approach of Ageas Portugal Group joining forces with COLOR ADD to reach those who are colour blind, Agesa developed an app in collaboration with Blink Look, a company that transforms all vision-oriented information into a 100% audio-oriented world for blind and visually impaired people. By introducing this technology, Agesa improved its service towards more than 15,500 customers, making their offer more inclusive.

5.3.3 Customers NPS

	2022	2021
% of entities with a top quartile cNPS	25%	25%

Although Customer Experience (CX) is of course not new to Ageas, this year marks a clear increased focus on CX, with competitive NPS as a strategic key performance indicator within Impact24. Competitive NPS measures the ranking of the Customer's Net Promotor Score against main insurance competitors in the local market. Our target is ambitious: to have a top quartile position in all markets in which Ageas is present.

Today, the levels of maturity differ market to market. Ageas's competitive NPS target is realised in 25% of consolidated entities.

The CX programme is being rolled out in all entities 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 & data. Ageas's customers can 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.

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.

The scope for these targets is all consolidated entities excluding AFLIC (India), being part of the financial consolidation since the last quarter of 2022 and still in preparation to provide all relevant information.

Discover more about Ageas's long-term, responsible approach to the way we invest.

5.4.1 Level of ESG-integration in our investment decisions

	2022	2021
Level of ESG integration in investment decisions	Above 99%	Above 90%

In 2022, Ageas continued to invest its assets in a sustainable and responsible way.

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 2022, the level of ESG integration is 100% for internally managed assets and 98% for externally managed assets.

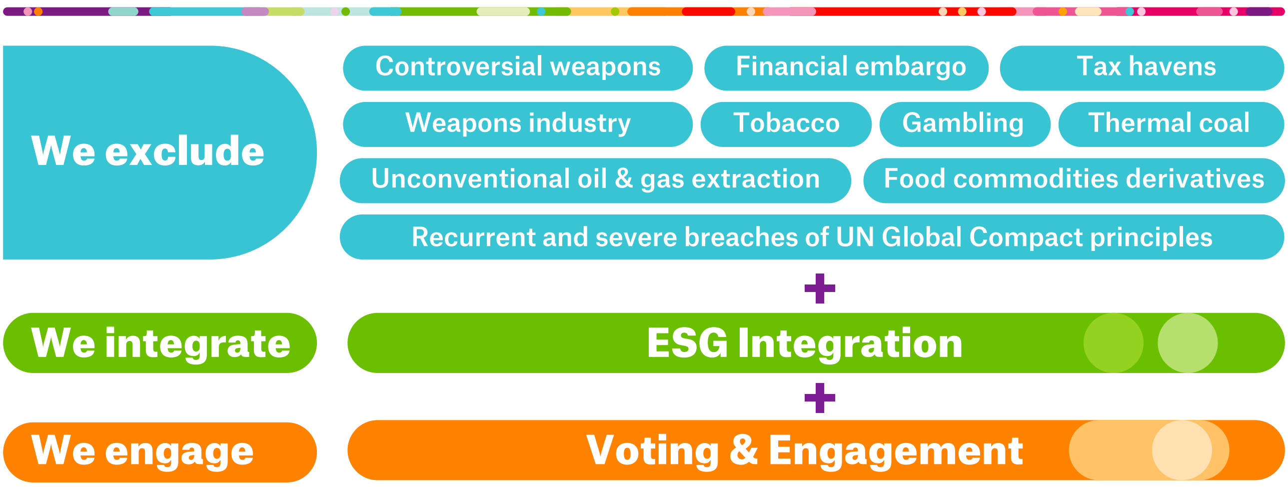
For internally managed assets, the integration of ESG information either happens via external ESG scores provided by 3rd party providers or internal ESG analysis. For externally managed assets, Ageas selects asset managers that embed ESG characteristics in their responsible investment framework, most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

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 some 75% 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 the 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 2021, the second UN PRI report has been submitted by both entities. These reports have been released and published in September 2022.

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, 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 updated usually 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 except in the unit linked portfolios. In 2022, Ageas strengthened its exclusion policy by formally excluding from its investment universe companies in severe breaches of international principles such as the United Nations Global Compact (UNGC). 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.

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 the 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 policy will be gradually rolled out within all other consolidated entities beyond AG in the course of 2023. The engagement activities performed directly or indirectly via external asset managers or through collective engagement initiatives confirm our commitment to the following 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 we invest. Via direct dialogues and its support to collective initiatives AG intends to improve the ESG profile of the companies in which it invests aiming to reach its long-term investment objectives. Following its engagement policy AG has 10 direct engagements in progress of which four started in 2022. AG is also involved in 140 engagements through collective engagement via Climate Action 100+ and via CDP through their Science-Based Targets (SBT) campaign, an initiative which urges companies to commit and to set SBT targets. In Portugal, engagement activities are externalised for some pension portfolios. More engagement will take place in 2023 including direct engagement with large domestic companies.

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

	2022	2021
Investments making a positive contribution to transition towards a more sustainable world	EUR 10.3 bn	EUR 9.9 bn

Also in 2022, Ageas continued 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 has set a 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 this, 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;
- investments in companies with taxonomy aligned activities.

With respect to the social aspects this translates into practice via investments in

- social loans;
- use of proceeds bonds such as social bonds and sustainable bonds in infrastructure for education, rest homes and hospitals.

At the end of 2022, the amount of sustainable assets according to the definition set and applied by Ageas amounted to EUR 10.3 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 2022, Ageas has invested close to EUR 2 billion in sustainable investments. This includes more than EUR 900 million investments in infrastructure of which two areas where Ageas continued its efforts in 2022.

- Renewable energy infrastructure such as solar photovoltaic parks in Spain and Italy, offshore wind parks in the North Sea;
- Digital infrastructure such as fibre optic to allow a better access to internet in rural or semi-rural areas in France, Spain and Italy.

Additionally, investments of nearly EUR 90 million were made in social housing and more than EUR 650 million in green, social and sustainable bonds. Ageas has 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).

Zooming in on Ageas's real estate activities

AG Real Estate, a wholly owned subsidiary of AG Insurance, is an integrated property operator active in Belgium, France, Luxembourg and in certain select 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.
2022 was the year of continuing what was already strong, yet also pushing the bar higher.

GRESB engagement

The Executive Committee of AG Real Estate decided to engage in the Global Real Estate Sustainability Benchmark initiative or in short the GRESB initiative, of which the first cycle of assessment is planned as from 2023, accompanied by a CRREM monitoring (Carbon Risk Real Estate Monitor) that 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.

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 residential, commercial, healthcare, and other facilities to achieve better energy efficiency and by integrating renewable energy sources into the portfolio, from solar panels to geothermy, to improve energy autonomy. Currently, the warehouse portfolio has more than 342,000m² of solar panels producing a capacity of 71.5 mWp or average annual consumption of over 20,000 households.

Energy, water, and carbon footprint KPI's are monitored in real time confirming that what gets measured, gets done: e.g., a 30% reduction in water consumption in the office portfolio between 2018 and 2022.
And initiatives continue:

- Extending efforts of BREEAM In Use certification, currently at 33% of the portfolio under management;
- 70% of the office buildings portfolio assessed on indoor air quality by end of 2022;
- Visual diagnostic tools for telemonitoring energy and water consumption and energy audits;
- 7% 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, actions underway to limit the choice of company cares 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.

Another example is the recent investment in healthcare infrastructure and operations through the acquisition of Anima: Founded in 2007, Anima is currently the 5th largest care home operator in Belgium. The company runs a total of 24 nursing homes across the country and employs more than 1,600 people. From a financial point of view, this acquisition provides the group with stability linked to the control of the operations as the quality of the management team is a key success factor in this sector. Most of Anima's care homes can already be assimilated to next generation care homes, created in such a way that the residents live in smaller (more familial) communities with an 'own living' area, but within a larger facility offering.

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.

Bringing sustainability to life at Interparking

Interparking operates a large network of over 1,000 public car parks located in nine European countries, serving approximately 120 million customers annually. As a parking operator Interparking is convinced that the key to successful green and efficient mobility is above all multimodality: Interparking provides parking spaces near major public transportation hubs, such as metro stations, trams, buses, train stations, and airports. Users today can combine several modes of transport to travel around our cities, for example car, tram, bus, metro, train, and bike sharing. In Belgium, individuals who use public transport can load their tickets onto their Pcard+ and as such have easy access to public transport networks in the Brussels area. In Berlin, the "E-Park & Rail" online booking method enables customers to book a parking space at Berlin Südkreuz when buying train tickets. In the Netherlands, specifically in Amsterdam and Harlem thanks to the "Park&Bike" service, customers can book a bike at an attractive rate to cycle through the streets of the city.

This initiative contributes to SDGs 11 and 13 via 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.

To further focus and strengthen its sustainability strategy, Interparking worked in the first half of 2022 with a third-party expert in sustainability to identify the environmental, social, and governance (ESG) topics that are most relevant and impactful to their business and stakeholders. After consulting with valued stakeholders, including employees, end users, shareholders, car park holders, suppliers, and society, as well as members of management, Interparking has identified six priority topics in its materiality assessment: CO2 emissions reduction, green mobility, air quality management, digitalized mobility, employee health and safety, and community engagement. For each of these material topics, initiatives were defined and launched in 2022:

- To support the transition towards low-polluting vehicles, Interparking is increasing the number of charging terminals for electric and hybrid vehicles in the car parks. In 2022 Interparking has doubled the number of parking spaces equipped with charging terminals in their car parks to 2,500. This 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;
- And while most of the car parks operated by Interparking have already been offering parking spaces dedicated to bicycles for many years, 2022 has seen the implementation of close to 2,000 new parking spots exclusively for bikes;
- Interparking has continued to roll out its "lungs in the city" systems, which have the capability to neutralize up to 70% of particles, 40% of fine particles, and 20% of ultrafine particles. So far, a total of 120 of these systems have been deployed in car parks across Europe, effectively reducing the amount of fine particles in these spaces;
- Interparking also experiments with advantageous tariff systems for clients driving low emission or electrical vehicles in the Netherlands (up to 20% reduction). The success of this action designed to stimulate consumer behaviour depends on the data relating to the ecological class of a car made available by the Dutch government which is at risk in the future.

All initiatives contribute to the realisation of the SDG 13 climate goals, close to the Interparking business.

Interparking offers its employees state-of-the-art training in the parking school to ensure its people can develop their skills and better respond to the changing requirements of the cities of tomorrow. The company's recent digital transformation has brought its share of training needs. In 2022, classes were particularly oriented around these three axes: commercial hospitality, security and digitalisation. Digitised mobility is a very material priority for Interparking's business and stakeholders. As a consequence, Interparking decided to support programmes that promote digital integration outside the company too. In this context, 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.). There is no degree requirement to access Campus 19. Currently, more than 360 students are being trained, with a 100% guarantee of securing a job. Since its inception in 2018, 200 jobs have been created within 75 different companies, contributing to SDG 4.

In appreciation for the role it plays in society, Interparking was the recipient of the "Best new car park in Europe" award for Interparking Confluence in Namur Belgium. The criteria for this award were among others the contribution to the local community, support in increasing the attractiveness of the city centre and the impact on sustainable mobility.

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 expressed in the Group's materiality analysis and 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 up the activities developed by PCAF and the Net Zero Insurance Alliance 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), integrated for the first time in the annual report. 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

In late 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 is 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 emissions of its equities and corporate bonds held by its European consolidated entities by 2030. For its real estate portfolio, the decarbonisation 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. The progress will be calculated against the reference levels set at the end of 2021.

Moreover, 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. 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 commits 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 sustainable investments can be found in note 5.4 Our investments).

In addition to recent commitments to accelerate the transition towards a net zero investment portfolio, Ageas integrates already 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.

Specifically with respect to the environmental aspects the following principles have been embedded in the decision making:

- Exclusion of the most sensitive industries (within European consolidated entities):
  - Exclusion of investments in coal related activities such as mining and electricity generation. Only bond positions in the proprietary portfolio are still allowed to mature for technical ALM cash flow matching purposes.
  - No new investments in coal related industries are permitted and will be fully divested by 2030.
  - Exclusion of companies active in unconventional oil & gas i.e. Arctic drilling, shale oil and gas, oil sands.
- Additional restrictive criteria are in place for investments in conventional energy industries specifically for investment products with a sustainability focus.
- Increasing investment in positive climate related solutions such as taxonomy eligible economic activities, renewable energy infrastructure, green mobility infrastructure and green bonds.
- Supporting the greening of the economy via investments in companies in transition. 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.
- Specifically, with respect to environmental objectives, the aim is to influence companies' behaviour with a view to favouring good ESG business practices and tackling environmental issues such as climate change. To this end, 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 and AG became signatories 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 2022, AG participated for the first time in the CDP SBTi campaign, an initiative which urges companies to commit and to set SBTi targets.

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	2022	2021
Carbon emissions of own operations	21,694	17,265

Within Impact24, Ageas aims for carbon neutrality of its own measured operations. It wants to lessen its impact on the environment by reducing its carbon emissions, using resources more efficiently, and offsetting the remaining emissions.

CO_2e measurement for scope 1, scope 2 and scope 3 related to own operations

Since 2018 Ageas measures its CO_2 emissions based on international GHG protocol and has gradually extended the scope. Today it includes scope 1, scope 2 and part of scope 3 sources of emission with the addition of IT equipment and data storage since 2021. The measurement covers all European consolidated entities, i.e. Belgium, Portugal, UK and France as well as the corporate headquarters in Brussels and the Asian regional office in Hongkong. It also includes AG Insurance's main subsidiaries AG Real Estate and Interparking.

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 2022, reflecting the first results of a more proactive approach. This included among others travel being replaced by digital meetings, more teleworking leading to reduced commuting, moves to more energy efficient buildings and the first results of the shift towards a more CO_2 friendly car fleet. All these initiatives resulted in a total emission level of 21,964 tons CO_2e, reaching more than the 30% reduction ambition compared to 2019 levels.

More details on the calculation can be found in the summary table. The most important contributors to Ageas's carbon footprint are in scope 1 car fleet (37%) and in scope 3 commuting (27%); due to the exceptional circumstances in 2020 and 2021 business travel dropped significantly and now picking up again representing 7% (compared to 14% in 2019). This follows the organisational structure of the group with strong ties in Europe and Asia, whereby in the latter region the activities are managed out of the regional office in Hong Kong and management follow up requires frequent visits. The category "IT" comes as the 3rd most important source at a weight of 12%.

An approach based on a structural reduction

To structurally reduce its CO_2 emissions, Ageas 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 2024.
- An adapted organisational and working environment named "Sm@rter Together" whereby employees are encouraged to work more of the regular working hours from home. In 2022, commuting was reduced by 25% but also initiatives are taken to encourage the use of other transport means, 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 CO_2e 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.
- Monitor buildings occupancy and further optimise workspace and resources usage. Various initiatives have been taken in 2022 such as the move from five older to two new state-of-art buildings in Portugal with BREEAM certificate. In Belgium the new AG Campus has been inaugurated, an example of a modern construction among others making use of recycled materials; in the UK, older equipment has been structurally replaced by more energy-efficient material, such as air conditioning systems, boilers and pumps.
- IT initiatives like the extension of the lifetime of devices, recycling of old materials, regular clean-up of IT storage and use of IT tools through an internal awareness campaign.
- Implementation of a group wide environmental policy with the explicit commitment to develop a long-term process of continuous improvement to enhance environmental protection and as such to minimise the negative environmental footprint whilst maximising environmental opportunities . Several initiatives have been launched such as the implementation of a waste policy at AG. Ageas Group Portugal rolled out an education initiative focused on how to avoid food waste, and in Ageas UK, zero waste was sent to landfill thanks to the mobilisation of all employees.

Combined, these initiatives should result in a targeted reduction of the total CO_2 emissions scope on scope by almost 40% by the end of 2024 and 30% by 2023 compared with the reference year 2019. Ageas aims for continuous improvement. For instance, AG is performing an annual energy audit to identify potential new areas of reduction for its buildings. For some of the initiatives mentioned above, the full impact may only materialise after 2024, e.g. a full shift to electric cars being delayed because of worldwide supply issues.

Achieving carbon neutrality as a Group for the measured scope

In September 2022, Ageas reached another milestone in its climate journey to become carbon neutral as a Group, obtaining for the first time a carbon neutral certificate for the full scope of the measured CO_2 emissions via a joint carbon removal project selecting a reforestation project in India.

This engagement complements other individual initiatives that have already taken place over many years, among these AG being CO_2 neutral since 2018 and Interparking since 2015. These entities supported various certified projects in Africa.

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 H Ageas's response to the TCFD recommendations.

How Ageas reached an important milestone in its climate journey.

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/enable 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 incentive competitors to improve their economic activity to meet the sustainability standards as defined by the regulation.

Regulation (EU) 2020/852 (the 'Taxonomy Regulation[3]') 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. With respect to the four other environmental objectives no delegated act has been published so far.

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. Over 2022, reporting of financial undertakings such as Ageas are still only required to report on the taxonomy-eligibility of their activities and their investment assets. As from the accounting year 2023 (reporting in 2024) the taxonomy alignment reporting shall be required.

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, irrespective of whether that economic activity meets any or all of the technical screening criteria laid down therein, and a 'taxonomy-non-eligible economic activity' means any economic activity that is not described in the Climate Delegated Act.

Taxonomy eligibility is not an indicator of environmental performance and sustainability of the relevant activity. Rather it is an indicator that an activity is in scope for testing against the requirements with respect to environmentally sustainable economic activities laid down in article 3 of the Taxonomy Regulation (i.e. the activity (i) contributes substantially to one or more of the environmental objectives set out in the Taxonomy Regulation, (ii) complies with the technical screening criteria for the environmental objective in question, (iii) does not significantly harm any of the other environmental objectives and (iv) is carried out in compliance with the minimum safeguards defined in article 18 of the Taxonomy Regulation) and has the potential to be Taxonomy-aligned if it meets these requirements.

This second taxonomy eligible 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 and X of the Disclosure Delegated Act, the provisions for the transition period and the additional guidance in the FAQ document issued by the EU Commission, as last updated in December 2022.

This disclosure covers the entire Ageas Group, i.e. covers the insurance as well as reinsurance activities and applies the same scope of consolidation used for financial information in the consolidated annual report.

Ageas's Non-Life underwriting activities – eligibility reporting

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.

For every LoB including at least one policy with implicit and 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). 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.

The taxonomy disclosure includes the consolidated view of the reinsurance activities, implying that reinsurance for subsidiaries has been eliminated in the KPI 'eligible' and 'non-eligible' activities, and the KPI "of which reinsured" only reflects the external reinsurance. The KPI "of which retrocession" comprises the total amount of GWP stemming from internal and external reinsurance activities that were retroceded.

	2022		2021	
	Total absolute premiums in EUR mio	Proportion of premiums	Total absolute premiums in EUR mio	Proportion of premiums
KPI 1 - Eligible activities	4,001	91%	3,973	92%
Of which reinsured externally	384		335	
Of which stemming from reinsurance activity	111		79	
Of which reinsured (retrocession)	92		76	
KPI 2 - Non-eligible Non-Life (re)insurance activities	379	9%	364	8%
Total Non-Life (re)insurance activities	**4,379**	**100%**	**4,337**	**100%**

Ageas's investment activities - eligibility 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 and quality of taxonomy data obtained from the investee entities in its investment portfolio.

Since 2022 was the first time that taxonomy-eligible data became available from companies in scope of taxonomy; several factors caused limitations to the quantity and granularity of the data obtained thus far: (i) the collection of data needed to build workable databases is still taking considerable time for the ESG-data providers due to the use of diverse segmentation from an accounting perspective of the data disclosed by companies, and there is some uncertainty over how data from companies involved in diverse economic activities (such as the split of certain economic activities involved in the nuclear and the fossil gas energy sector as required by the Complementary Climate Delegated Act) is processed; (ii) an important part of Ageas's investments are made in companies not subject to the publication of the taxonomy data and who did not communicate taxonomy data on a voluntary basis and (iii) the date of the production of this annual report, as data over taxonomy-alignment of the companies for the 2022 exercise are not yet available.

Taxonomy-eligibility disclosures by financial undertakings 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. For the reasons explained above, most of the data collected are still based on estimates. Notwithstanding this, Ageas believes that disclosing as much information as available (either based on estimates or based on actual and reported information received) will help the readers to understand this report and become acquainted with Ageas's position on taxonomy-eligibility and to prepare for the future taxonomy alignment reporting. Therefore, Ageas believes that the current reporting over taxonomy eligibility is the best possible option and the most appropriate solution.

The first section contains the mandatory disclosures of data for which Ageas disposed of actual information considered timely available for this report. This section only contains data on quantitative indicators related to its exposures to (i) real estate and infrastructure assets (ii) central government bonds, central banks and supranational issuers and (iii) derivatives.

The second section contains the voluntary disclosures of data which Ageas may not disclose in its mandatory Taxonomy report and is not obliged to disclose at all but has decided to do so on a voluntary basis to provide a better view on its investment portfolio from a Taxonomy perspective. This section contains data on its exposures to (i) corporate issuers data provided by a recognized ESG-data provider but which are for the moment based on estimates, and (ii) investments for which no Taxonomy data is currently available.

In each of the two sections, a table with quantitative data is presented followed by a qualitative statement giving further explanations and details on the quantitative data. The investments are reported in the overview below at their fair market value as per 31 December 2022.

Mandatory Disclosures

Exposure	2022 Value in EUR mio	2022 % on total AUM	2021 Value in EUR mio	2021 % on total AUM
Exposure to Taxonomy eligible economic activities	7,142	7.8%	6,477	6.0%
Exposure to Taxonomy non-eligible economic activities	4,783	5.2%	4,161	3.9%
Exposure to central government bonds, central banks and supranationals	35,175	38.4%	45,175	42.0%
Exposure to derivatives	143	0.2%	317	0.3%

A. Real estate and infrastructure assets

The information over these assets is built directly by Ageas following its own assessment in accordance with the detailed descriptions in the Delegated Acts. These represent about 7.8% of total assets under management and are investments in infrastructure project financed via loans or funds mainly through AG (Belgium) and real estate assets that are almost entirely related to the activities of AG Real Estate and Interparking.

B. Exposures to central governments, central banks and supranational issuers

The following exposures are included in this category:

- Central government bonds: traditional government bonds (such as OLOs), representing the major part of the exposure under this category;
- Regional government bonds: mainly exposures in loans and bonds issued by the Brussels, Flemish and Walloon Region and regional governments of several other continental European countries;
- Municipal government bonds mainly in Belgium and Europe;
- Supranational issuers and Central banks: such as exposures in bonds of the European Union, European Investment Bank or European Commission loans and certain development banks.

These exposures continue to be treated by the EU in a separate category and it is expected that in the coming years the EU shall provide additional guidelines for an appropriate allocation methodology for these exposures so as to allow an assessment of these assets and the inclusion or not of such sovereign exposures in the metrics.

The Disclosures Delegated Act currently does not provide for a definition of “exposures to central governments”. Given the reason for separate treatment of such exposures as explained above, also regional and municipal government bonds are included in this category as the same reasoning applies to these. This follows the reasoning of the European Banking Authority who publish a list of regional governments, local authorities and public sector entities that may be treated as central governments for the calculation of capital requirements, in accordance with the EU Capital Requirements Regulation.

These sovereign exposures are a significant part of Ageas’s total exposure, i.e. some 44% 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.

C. Exposure to derivatives

Derivatives are currently treated as a separate category since the EU’s view is that derivatives are primarily used in mitigating counterparty risk rather than to finance an asset or an economic activity. In this section, the proportion of exposure to derivatives is very limited and mostly represents derivatives used for hedging purposes. Derivatives entered in the framework of Unit-Linked structured products are not included in the mandatory disclosures but in the voluntary disclosures.

Voluntary disclosures

Exposure		2022 Value in EUR mio	2022 % on total AUM	2021 Value in EUR mio	2021 Value in EUR mio
Turnover	Exposure to Taxonomy eligible economic activities	2,758	3%	2,951	2.7%
	Exposure to Taxonomy non-eligible economic activities	12,993	14.2%	15,290	14.2%
CapEx	Exposure to Taxonomy eligible economic activities	2,429	2.7%	2,639	2.5%
	Exposure to Taxonomy non-eligible economic activities	13,300	14.5%	15,602	14.5%
	Exposure to issuers with no data	28,599	31.2%	33,243	30.9%

A. Corporate issuers for which estimates are available
As explained above, collection of data over 2022 is time consuming and investee companies are still working their way out of taxonomy reporting, especially in relation to taxonomy alignment, as these data only become available as of 2023. ESG data-providers are constantly upgrading their databases, gradually increasing the quantity of data based on reported information rather than based on estimates. For the purpose of this report, Ageas has been using the most up to date information possible, while there is still a significant part of the data that is provided on a voluntary basis and based on estimates.

Corporate issuers (equities and corporate bonds) for which taxonomy-eligibility reporting data are available through ESG data providers (although currently limited to estimates) represent approximately 68% of Ageas corporate investments, of which 18% is estimated to be eligible and 82% non-eligible.

With respect to Unit-Linked funds Ageas performs a look through assessment (representing up to 64% of the total value).To facilitate comparability in reporting between Taxonomy-eligibility reporting and to ensure coherence of the reporting across undertakings, disclosures related to Taxonomy-eligibility of the assets and activities of financial undertakings are based on the data related to Taxonomy-eligibility of the activities of their underlying investees or counterparties (turnover and CapEx).

B. Investments for which no data is available
A significant part of the investment portfolio (i.e. 31% of total Assets Under Management) does not dispose of any taxonomy-data because:

I. the investee company is subject to NFRD but provides no taxonomy reporting and the ESG-data provider is still processing the data to deliver a workable database; or

II the nature of investment being “Cash and cash equivalents”; or

III the nature of these assets do not fall (for the time being) under the taxonomy disclosure obligations:
- Loans (a.o. social housing loans, mortgage loans), including certain funding structures (often SPVs) which provide (mortgage) loans;
- Corporate issuers (equities and corporate bonds) for which no taxonomy data is (yet) available because the investee company is not subject to NFRD and provides no taxonomy reporting (such as SMEs and non-EU companies);
- Various type of funds: private equity funds, private debt funds, money market funds;
- Unit-Linked funds: the part for which no look-through was possible (i.e. for the CEU segment).

Complementary Information about the Taxonomy Reporting

As already mentioned, the scope of this reporting is still limited to the taxonomy-eligibility assessment of the non-life insurance and investments activities for which databases are still being improved. Accordingly, at this stage it is not feasible to give any detailed explanations of the nature and objectives of taxonomy-aligned economic activities and the evolution of the taxonomy-aligned economic activities over time to which Ageas is exposed.

Ageas is conscious of its role in society and has reflected as such clearly in its Impact24 strategy, with strong targets in terms of products and services and of 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, ensure all products have been reviewed for transparency and aim appreciation from customers by top quartile customer Net Promotor Scores (NPS). The target that helps customers transition to a more sustainable world steps up to the EU ambitions. 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 updated 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.
Considering the fact that the Non-Life reinsurance activities so far 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: in order 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 about ESG practices according to its policies in this matter. The objective is to influence the activity or behavior 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 subject to this regulation, have been subject to the Sustainable Finance Disclosure Regulation since March 2021 and will comply with the additional requirements that become effective over the coming years.

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 reach this long-term target, Ageas has defined an intermediate trajectory to reach its carbon reduction objectives. To support its ambition, in 2022 Ageas has 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 is the first Belgian asset owner to join the Alliance.

Ageas's view on the way forward

In 2022 the issues regarding the availability of data and the many uncertainties that still exist at EU-level in respect of the precise requirements on what and how to report, continued to be present. When consulting this second taxonomy report, it is important that the reader considers that this eligibility reporting in the early years also serves to help undertakings become accustomed with the Taxonomy and to get prepared for their alignment disclosures in the future, as expressed by the European Commission in its Taxonomy-reporting guidelines. The current approach to the production of taxonomy-related disclosures may significantly change over the next years. Although a significant portion of the data provided is based on estimates, Ageas believes that the taxonomy disclosures made available here already provide a useful insight and confident that within a few years the taxonomy will be fully deployed and will form an important part of its non-financial statements.

5.7 Safe, secure and compliant insurance

The four impact areas reflect Ageas's strategy and its ambition towards its stakeholders. Yet, for an organisation to thrive it implies a solid base of appropriate conduct and supporting 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, internally by being explicit about responsible business conduct from its employees, how to deal with sensitive data of employees and customers, what it expects from its suppliers, and as a responsible tax payer 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, taking a deep dive on Ageas's philanthropic activities.

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 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 entities 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, 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.

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

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 zero-tolerance towards corruption.

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 an obligation of notification to the Compliance department, that includes these notifications in its regular reporting 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 is also reflecting its concern to prevent corruption: it was outlined in a guidance note in 2021, approved by the Board of Directors. Ageas is recorded in the EU Transparency Register with the purpose to benefit from some of the practical advantages linked to it, i.e. receiving email notifications on the activities of Parliament's Committees; and being notified about consultations and roadmaps in specific areas. 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 to make direct or indirect contributions to political parties, organisations or individuals engaged in politics as a way of obtaining advantage in business transactions. The 2022 total expenses on corporate memberships to sector and professional associations across Ageas Group equal EUR 3.8 mio.

Protecting your data carefully

(Personal) data is a vital asset for Ageas and is treated it 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 non-compliance with regulatory and legal requirements. That is why Ageas focuses on data management to maintain and improve:

- The ability to make consistent decisions about the value of data;
- The adaptability to changes in the external environment;
- The technical deployment of our systems and their performance;
- The day-to-day operations;
- The compliance with laws and regulations;
- Ageas's reputation.

Ageas is committed to the protection of (personal) data, putting it at the core of its processes. The Information Security and Data Protection framework is part of Ageas Group's Risk Management framework (for more information see General Notes C 4 Risk Management) and is complemented by a Data Management policy and an Information Security policy and detailed in the Ageas Information Security Framework. The latter is inspired by international standards such as ISO 27K series as well as by industry best practices regarding information security.

The framework is set up to protect all Ageas information assets 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. Ageas also invests in permanent awareness and mandatory training related to personal data management processes.

Ageas has implemented its Information Security and Data Protection framework in line with the General Data Protection Regulation (GDPR). It consists of the rules and principles relative to the processing and protection of personal data within Ageas, its subsidiaries, and its affiliates. 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. Processes are formalised and all relevant information is communicated to the data subjects, including information on the data transferred outside EEA. As such, Ageas has strengthened transparency and control, protecting the interests of customers, employees, and other key stakeholders regarding data privacy.

The framework consists of policies and standards which describe the governance, roles and responsibilities, processes, and tools to ensure that personal data is managed in a consistent way across the organisation. This translates into a general incident management and escalation process regardless of the type of data and related risks and involves the collaboration of different functions such as Legal, Information Security, Compliance and Risk Management. The existing framework is reviewed on a periodic basis to include any updates in line with global and local regulations or industry standards. Like any other Ageas policy, these policies are mandatory for all Ageas subsidiaries and should be implemented on a best effort basis by Ageas affiliates.

Ageas's commitments and numbers:

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

Ageas Group closely monitors any data breach, evaluates them via industry standards based on the incident severity assessment and reports to the authorities and/or individuals as required. In 1% of the cases, breaches were reported to authorities (compared to 1% in 2021).

Supporting the Compliance Culture

The tone from the top

The Board of Directors and the Executive Committee are setting the tone from the top, and 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 the top management to tune the tone from the top and exercise their accountability at most.

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 organized 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 formats: eLearning, interactive modules, webinars, presentations, workshops, deep-dive sessions. They are all mandatory and participation is followed up as part of the reporting towards the managing bodies. The objective is to reach 100% of the target audience.

Group-wide, the curriculum is tailored to meet the training needs as adequately as possible. For instance, in the holding company as well as in the group entities, there are training initiatives linked to a consistent series of topics: 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 in terms of contents, 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. So global webinars are organized to maintain the knowledge base, as was done in 2021-2022 around anti-money laundering, conflicts of interest, corruption. Towards groups of staff requiring specialized, more in-depth knowledge to perform their tasks, dedicated training initiatives are set up.

In each entity, 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, external mandates or functions, and complemented with a series of topics such as the whistleblowing framework, the suitability (fit and proper) framework, general rules on competition, confidentiality, asset and data protection.

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 Compliance department or function, referred to as 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 entities to fight corruption.

Besides, Compliance is in charge of monitoring and providing a continuous overview of the actual situation and level of compliance in the whole group. Compliance conducts its monitoring and control activities, along a structured, appropriate and proportionate approach in view of detecting potential and effective non-compliances, subsequently assessing the residual compliance risks, and defining remedying actions, that are being followed up and reported to the 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 the contract review by the Legal department, in the monitoring of remunerations and inducements to and from distributors, in the due enforcement of the segregation-of-duty and the four-eye principles in accounting processes, 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 “supporter of your life”, Ageas is committed to conduct its business in a manner that respects the rights of all human beings.

Committing to international standards

Ageas fully subscribes to the UN Universal Declaration of Human Rights and the International Labour Organisation’s 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 and avoid complicity in human rights abuses, as stated in the UN Guiding Principles on Business and Human Rights.

Since 2020, Ageas is signatory of the UN Global Compact (UN GC) framework, supporting the Ten Principles on human rights, labour, environment and anticorruption as well as communicating upon progress made to implement these principles.

Walking the talk

In 2021, Ageas performed its first business-wide human rights risk assessment to support the identification, management and reporting of salient human rights issues. Based on the UN Global Compact Self-Assessment Tool and the UN Guiding Principles on Business & Human Rights, Ageas created a questionnaire to be completed by all consolidated entities at the time.

This initial assessment helped identify certain salient human rights at most risk of being potentially impacted (directly or indirectly) through the company’s activities. Within this process, it was also established that across the different entities there is a wide range of policies and procedures (with different levels of maturity) that embody Ageas’s commitments, supporting an understanding of Ageas’s impact on human rights, minimising the potential for any adverse impact and making as positive an impact as possible.

During 2022, the identified salient risks from the first assessment were further discussed at the ESG Steering Committee together with specific recommendations that continue to raise awareness on respect of human rights and further accelerating initiatives across the group. Furthermore, a specific working session was held within Ageas’s Sustainability network, inspired by the UN GC framework and the UN Guiding Principles on Business & Human Rights’ recommendations, to identify practical steps to strengthen Ageas’s approach and to connect efforts across the business.

Ageas performs multiple roles as a consequence of the company’s activities, each having a (slightly) different approach according to the different salient risks identified.

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.

Ageas is mindful however that workplace discrimination and harassment can occur. As a consequence, clear guidance is in place on expectations for Ageas’s employees and contractors working for or on behalf of Ageas.

Within Ageas’s policy framework, such guidance refers to Codes of Conduct reflecting Ageas commitments as well as specific Human Rights & Labour guiding principles, Diversity and Inclusion policy, and mechanisms for gauging staff sentiment (e.g. employee engagement surveys).

In addition, 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.

As the Incident Reporting policy indicates, Ageas Internal Alert System is available to all employees as well as trainees, temporary (agency) staff and people hired to work on specific projects at Ageas. In accordance with the Belgian Whistleblowing law, an update on the Internal Alert System is scheduled for February 2023.

Further information 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 Impact24 strategy, Ageas has raised the bar by focusing efforts on supporting customers in the transition to a more sustainable world, and 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 inadequately 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 has also updated the Product Approval policy and process including 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 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.

Ageas is conscious of the importance of (personal) data and its responsibility to manage and protect it with care, hence, Ageas has implemented an appropriate set of both non-technical and technical measures, ranging from policies and processes to specific tools and controls to ensure that personal data is managed in a consistent way across the organisation. Further information can be found in the sub-section "Protecting your data carefully".

Further information can be found in note 5.3.Our Products.

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 Impact24 strategy.

The signature of the UN Principles of Responsible Investment (PRI) at the end of 2018, has progressively led ESG factors to become a fundamental cornerstone in Ageas's investment decision framework. Integrating consideration of human rights related risks into negative and positive screening processes is one of the elements considered with the Responsible Investment Framework.

In line with this approach, Ageas's Responsible Investment Framework 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 area, Ageas is supported by an external ESG data provider to help identify companies with severe controversies linked to one or more of the UNGC principles. Specific exclusions lists are drawn up (and reviewed at least twice a year), upon which internal and external managers must comply once a specific transition period ('grace period') has elapsed.

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 business relationships with many suppliers from which products or services are purchased. Procurement activities refer mostly to IT equipment and software as well as outsourcing activities.

Ageas is mindful that workplace discrimination and harassment, as well as labour rights may be at risk in its supply chain. Consequently, specific references to Human Rights are included in both Ageas's Procurement policy and Outsourcing policy. Third-party relationships are expected to fully comply with applicable laws and regulations and to adhere to internationally recognised Human Rights and broader ESG standards. Further information can be found below in sub-section 'Setting sustainability expectations to suppliers'.

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. Audit rights exist in certain contracts to ensure Ageas can undertake independent assurance activities.

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.

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, levering 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 indeed be occasions when an employee or third party has genuine concerns about such a wrongful situation. The process described in the policy 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[2] 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.

Setting sustainability expectations to suppliers

Ageas not only focuses on a more environment friendly management of its operations but aims to manage the organisation in a socially responsible way, expecting the same from its suppliers also. In 2022 the Group procurement policy was updated integrating ESG criteria formally into its supplier assessment process. All entities across the Group have implemented detailed questionnaires is to be completed for all key suppliers and/or imposed specific requirements when requesting for an offer, e.g. in the case of the purchase of IT equipment or when selecting the supplier for catering in the new buildings in Portugal. The selected supplier is for instance known for its integrative approach towards disabled persons in their teams.

Ageas, a responsible taxpayer

Ageas operates at all times 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.

[2] *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.*

5.7.2 Philanthropy activities

The adoption of the UN Sustainable Development Goals (SDG) framework is also evident in the numerous initiatives undertaken by Ageas as part of its strong engagement and commitment to society. In 2022, Ageas continued to show its engagement with society more broadly, bringing to life its purpose as a "Supporter of your life". In total, Ageas invested EUR 4.7 million in philanthropic initiatives.

These initiatives span the full spectrum of philanthropic topics from poverty and hunger to education and literacy, sport, art, health, and inclusion. The initiatives elaborated on in this report focus specifically on the Group's commitment to education and (financial) literacy, health and inclusion.

In Belgium, the University of Antwerp continued its research into the big societal issues in the context of the Sustainable Insurance chair sponsored by Ageas. This research project explores among other things sustainability in the context of potential new insurance related products or services which may help customers to transition towards more sustainable solutions.

Throughout the year, Ageas promoted sustainability at various events, among them the Brussels' EVPA Impact Week. This event, co-hosted by Ageas, brought together more than 800 changemakers and 250 speakers to mobilise capital to transition towards a more inclusive and sustainable world.

Aksigorta, Ageas's Non-Life business in Turkey, considers digital data a valuable asset. In this context, Aksigorta believes it has a responsibility to help keep people and their data safe in a digital environment. With this in mind, Aksigorta developed a free of charge public website that helps institutions and individuals to navigate digital channels more securely. This site has very quickly become an important reference and source of information on digital security. This year, through its "I'm Safe in Digital" project, in cooperation with the Community Volunteers Foundation (TOG) and Boğaziçi University, as part of the Sabancı Republican Mobilization, a series of seminars aimed at strengthening the awareness of young TOG volunteers in the field of digital security were organised. The programme is based on the 'train the trainer' principle where experts trained TOG volunteers and Aksigorta employees, who in turn use their newly gained knowledge and expertise to organise similar awareness-raising activities within their group of contacts, communities and businesses. The programme reached some 2,000 Young TOG volunteers between the ages of 18-29 who study at universities and young people close to them.

Societal engagement in our Vietnamese JV MB Ageas Life focuses on health and education with donations to Operations Smile to fund a children's hospital and scholarships for medical students at the Hanoi Medical University.

The above initiatives all align with SDG 4.

In 2022, AG, the Group's Belgian insurance entity, continued to provide support to the 'Stichting tegen Kanker/Fondation contre le cancer' as it has been doing for more than 10 years. Long term and important financial support are crucial to allow scientific research to find solutions to fight a disease that affects so many. Equally important is the support to people suffering from cancer. AG works on both fronts. Several initiatives were repeated and new were launched: AG installed free sun creme dispensers along the Belgian coast and at music festivals to create awareness of skin cancer. Per litre of sun creme used, AG donated an amount to the 'Stichting tegen Kanker/Fondation contre le cancer'. In total, the dispensers were used some 350.000 times. Prevention and research are important but so is re-onboarding of employees who suffered from cancer. Here as well, AG developed under its Reconnect programme a free to use platform for companies confronted with employees re-onboarding providing their management with guidance on how to handle. To gain more insight into this topic, AG also established a Chair with the 'Stichting tegen Kanker/Fondation contre le cancer'.

Ageas Portugal took a different road, literally: 'Pedalar Sem Idade' or the Cycling Without Age movement, founded in Denmark in 2012 by Ole Kassow, provides free of charge trishaw rides around the city, to break the daily routine and combat loneliness and isolation among the elderly and people with reduced mobility, who are in day centres, homes for the elderly or at home. For several year, employees support the organisation by diffusing crowdfunding campaigns on social media or by acting as rikshaw drivers. Ageas Portugal Foundation, wanted to increase the impact of its contribution in 2022 by taking a new approach to financing the organisation. The Ageas Foundation, offered a EUR 200,000 grant spread over two years for which the repayment decreases as the performance goes up, moving this from a donation mindset to a hybrid multi-year financing approach to help the organisation scaling up or replicating its offering. The ambition is to continue to test and expand the 'Pedalar Sem Idade' model from 3 to 10 locations across Portugal in the next two years.

In the UK, Ageas partnered with AIR Ambulance UK, to support their life saving work across the country: Air ambulance crews bring the Emergency Department to patients who have suffered a life threatening or life changing trauma or medical emergency; providing advanced critical care to save lives. In the first year of this two-year partnership, the company donated funds to the organisation per policy sold on the aggregators' site.

AFLIC, India, supported the construction of hospital accommodation to help underprivileged cancer patients and their caregivers through V Care. AFLIC co-financed equipment for GSBS Medical trust, a charitable entity offering diagnostic services and treatment to needy patients at extremely reasonable rates on a 'no profit-no loss' basis. It also sponsored the acquisition of an ambulance for the NGO Atal Prahtishtahan and for the Kirat Trust. It also co-funded the construction of a specialty hospital for which it partnered with the Late Shri Rajsingh Dungarpur Memorial Foundation.

As an insurance company focused on Life, SDG 3 is very important and the initiatives it has adopted demonstrate this.

The last deep dive domain for the purpose of this report is 'inclusion' represented under SDG 10.

2022 was marked by a war on the borders of Europe. Several operating entities set up support campaigns for the people of Ukraine and for refugees. AG Real Estate (AGRE) in Belgium, provided help to Ukraine refugees by opening one of its buildings and by offering welcome packages that included the basic necessities. As from March 2022 and still ongoing, AGRE made 1200 m2 of space available in one of its buildings to the association Promote Ukraine, free of charge and covering the costs of water, electricity, cleaning, etc. At the premises, Promote Ukraine organise daytime activities and cultural activities for refugees, mainly children.

Ageas UK helps spread the message of inclusion and diversity throughout the wider community, by supporting several initiatives such as GAIN to improve Autism inclusion, the Business Disability Forum, and Stonewall, a charity that supports businesses to improve LGBT+ inclusion. It also supported Bourne Free, Bournemouth's annual Pride festival, for the fourth year. Having set up a new Colleague Resource Group focused on LGBT+ inclusion in 2022, Ageas UK sponsored the Education Tent, which featured speakers on a range of topics relating to LGBT+ issues. A team of around 20 volunteers from Ageas also donated their time to help organisers run the event.

AFLIC in India undertook a project with Keshav Srushti called 'Amritvatika' which involves dense fruit tree plantation of more than 125,000 trees in the region of Jalna near Aurangabad. The ecological benefits for the environment of this plantation include increased green cover, enhanced climate resilience, and reduction in soil erosion to name a few. The project will also provide additional financial support to needy farmers. The quality fruits from this plantation are also distributed to children studying in the nearby school for the blind free of charge.

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 2022 and 2021. More information on initiatives, actions and targets can be found in the related sections above.

5.8.1 Our employees

Workforce	2022	2021
Headcount Ageas Group	44,230	40,012
Headcount consolidated entities	14,673	10,723
Average age (# years)	42.6	42.8
Average seniority (# years)	13.8	14.0
Turnover (%)	10.5%	10.6%
Vacancies (%)	4.6%	3.6%
Diversity & Inclusion		
Male/female (total split in %)	45% - 55%	46% - 54%
Balanced succession pipeline top 300 (top 800 minus top 300, male / female)	63% - 37%	-
Male/female senior management (top 800, split in %)	65% - 35%	65% - 35%
Male/female top management (top 300, split in %)	68% - 32%	73% - 27%
Male/female executive management (split in %)	80% - 20%	80% - 20%
Male/female board of directors (split in %)	60% - 40%	64% - 36%
Nationalities at head office (number)	24	21
Nationalities at consolidated entities (number)	68	64
Glass Ceiling Index (GCI)	57	50
Gender Diversity Index (GDI) (*)	75%	68%
Gender pay gap (lowest / highest, in %)	14% - 27%	15% - 25%
Gender pay gap (weighted average, in %)	23%	24%
Employee engagement		
eNPS score (*)(**)	56.0	62.4
Employee engagement score (**)	78.4	72.5
Employee engagement survey (% participation rate) (**)	88%	87%
Denison Global Organisation Culture Survey (participation rate in %)	65%	-
Employee development - Ageas Academy		
Number of participants		
Instructor-led programmes	481	364
Dare Series	784	1,025
Online	3,303	2,022
Number of programmes (instructor-led & dare series and online)	49	35
Average quality & content score from 1 (lowest) -10 (highest)	8.7	8.5
Employee development		
Training hours per headcount	34	28
Employee participation in training (in %)	98%	-
Employee well-being		
Total Absenteeism due to illness (%)	6.4%	6.1%
Short term absenteeism due to illness (%)	3.3%	3.3%
Long term absenteeism due to illness (%)	3.1%	2.8%
Remuneration		
Total employment costs (in EUR mio)	922	852
Ratio of average to CEO salary	21.8	20.6

AFLIC, Anima and Interparking are only included in the KPIs “Headcount Ageas Group” and “Headcount consolidated entities”

In order to increase data interpretation and data quality, refining and standardization of data definition and calculation methodology on all reported data is an ongoing and continuous process.

(*) Benchmark 2022 not yet available

(**) The scope for the indicator “eNPS”, “Employee engagement score”, “Employee engagement score survey (% participation rate)” 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)	2022	2021
Belgium	2.94	2.91
Europe	14.27	14.00
Asia	29.42	27.66
Total	**46.63**	**44.57**

Presence		
Number of countries with direct or indirect presence	14	14

Customer satisfaction		
% of entities with NPS benchmarking versus competitors (group)	65%	47%
% of consolidated entities with a top quartile cNPS	25%	25%

5.8.3 Our investments

Responsible investments (in EUR mio)	2022	2021
Total assets under management	84,641	100,129
- of which Life, Non-Life & Own funds	68,846	81,230
- of which Unit-Linked	15,795	18,899
Internally managed assets - Percentage of new investments subject to ESG analysis	Above 99%	Above 95%
Externally managed assets - Percentage of externally managed assets that are managed by PRI signatory	98%	85%
Percentage of new investments in coal (*), tobacco (*), arms (*), unconventional oil & gas (*), gambling (*)	0%	0%
Sustainable investments (**)	10,269	9,911
Exposure to sustainable investments including sovereign bonds (**)	14%	12%
Exposure to sustainable investments excluding sovereign bonds (**)	22%	23%
Environment	3,848	3,069
- Renewable energy (including solar panels, winds farms)	868	575
- Green mobility (including train, metro, tramways, etc)	334	426
- Green buildings	935	665
- Green bonds and other green investments	1,301	707
- Taxonomy aligned activities (***)	410	696
Social and sustainable	6,421	6,842
- Social housing	2,780	3,771
- Other social and sustainable investments (including education, rest homes, hospitals, fiber-optic infrastructure)	3,641	3,071
Sustainable solutions (pension, long term saving and investment insurance products)	12,625	12,757
% versus total solutions	21%	17%
- Products with external sustainable certification (including Towards Sustainability label)	9,331	8,654
- Products without external sustainable certification (including ESG thematic funds)	3,293	4,103

(*) Taking into account revenue thresholds

(**) excluding the assets of the Unit-Linked business; sustainable investments as defined in Impact24, double counting has been avoided

(***) listed companies, based on estimated revenues (based upon information from external ESG data provider). In case of an investment ticking multiple categories, the investment is included in the first description in order to avoid double counting

5.8.4 Our planet

5.8.4.1 Carbon footprint of own operations

Carbon footprint in tCO_2e		2022		2021(***)	
Scope		**Net total (tCO_2e)**	**Relative share**	**Net total (tCO_2e)**	**Relative share**
Scope 1	Direct energy – gas & heavy fuels	1,891	9%	2,171	13%
	Refrigerants	330	2%	181	1%
	Owned vehicles	8,089	37%	7,381	43%
	Total scope 1	**10,309**	**48%**	**9,730**	**56%**
Scope 2	Electricity – net(**)	760	4%	488	3%
	Total scope 2	**760**	**4%**	**488**	**3%**
Scope 3	Home – work commuting	5,941	27%	3,907	23%
	Business travel	1,497	7%	273	2%
	Purchased goods and services				
	Paper	245	1%	227	1%
	IT	2,711	12%	2,582	15%
	Waste	229	1%	57	0%
	Total scope 3	**10,624**	**48%**	**7,047**	**41%**
TOTAL tonnes CO_2e gross		**21,694**		**17,265**	
Carbon offsetting		*		17,265	
TOTAL tonnes CO_2e net		**21,694**		**0**	
Tonnes CO_2e per FTE		2.4		1.8	

(*) to be determined based on signing of offsetting agreements
(**) including district heating
(***) restatement of 2021 figures based on data gathering improvements

Electricity in detail (tCO_2e)	2022	2021
Electricity - gross	3,931	5,005
CO_2e avoided by green electricity	3,452	3,825
Electricity - net	479	1,180

5.8.4.2 Investments – carbon intensity

Scope (tCO_2e/mln USD)	2022	2021
AG Equity portfolio	110.8 (benchmark 131.8)	113.3 (benchmark 145.4)
AG Corporate bonds	139.0 (benchmark 139.6)	-
Ageas UK Corporate bonds	70.2 (benchmark 69.7)	82.0 (benchmark 85.0)

5.8.4.3 Investments – coal divestment

	2022	2021
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	2022	2021
CO_2e	31.9%	17.5%
Gaz	14.4%	15.8%
Electricity	29.9%	24.2%

5.8.5 Safe, secure and compliant insurance

Code of conduct	2022	2021
% of staff subject to a Code of Conduct, or Integrity Policy, or any Formal statement of ethical principles imposed by the undertaking	100%	100%
% of staff having to formally acknowledge their abidance to the Code of Conduct/Integrity Policy/Statement of ethical principles.	100%	

Participation rates to training sessions and questionnaires	2022	
Inception meetings	100%	100%
Awareness initiatives	87%	90%
Yearly Compliance questionnaire (control on personal transactions, gifts and hospitalities, external mandates or functions)	100%	95%
Yearly Legal questionnaire (memberships and collection on information on potential conflicts of interest)	82%	90%

Whistleblowing and breaches	2022	2021
Number of whistleblowing cases, all relating to code of conduct breaches	4	
Internal fraud – number of suspected cases	37	
Number of effective cases of internal fraud	11	1

Lobbying - memberships (in EUR mio)	2022	2021
Lobbying activities	1.6	0.8
Memberships	3.8	5.3

Income tax by segment (in EUR mio)	2022	2021
Ageas SA/NV	21	20
Belgium	169	136
Europe	38	59
Asia	1	0
Total corporate income tax charge	**229**	**215**

Philanthropy - Community investment (in EUR mio)	2022	2021
Cash donations	4.7	3.1

Investor Loyalty	2022	2021
% of outstanding shares represented by top 100 investors	52%	50%
Of which owned for at least 10 years	46%	54%
% of shares owned for min 10 years	30%	33%

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 2022, the Board of Directors was composed of fifteen members, namely: Bart De Smet (Chairman), Guy de Selliers de Moranville (Vice-Chairman), Jane Murphy, Richard Jackson, Lucrezia Reichlin, Yvonne Lang Ketterer, Katleen Vandeweyer, Sonali Chandmal, Jean-Michel Chatagny, Carolin Gabor, Hans De Cuyper (CEO), Christophe Boizard (CFO), Emmanuel Van Grimbergen (CRO), Filip Coremans (MDA), Antonio Cano (MDE).

Carolin Gabor was appointed as new member of the Board of Directors at the general shareholder's meeting of 18 May 2022 and the mandate of Sonali Chandmal was renewed.

Out of the 15 Board members, there are ten non-executive directors, of which eight independent (as defined in the Belgian Code 2020), and six out of the fifteen directors are female.

6.1.2 Meetings

The Board of Directors met twelve times in 2022. There was also one meeting of the BoD without the presence of the Executive members in order to discuss their appraisal.

Attendance details can be found in note 6.5 Board of Directors.

In 2022, 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 quarterly, semi-annual and annual financial statements;
- The 2021 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 risk policies within the Enterprise Risk Management Policy Framework);
- Press releases;
- The budget over the cycle 2023-2025;
- Dividend, capital and solvency matters of the company;
- The succession planning of the Board of Directors and of the Executive Management;
- The governance and performance of the Executive Committee and Management Committee;
- The Remuneration Policy;
- The assessment of the independent control functions;
- Various merger and acquisition files;
- Sustainability matters, including the evolution of the regulatory landscape and the integration of sustainability in the core of the new Impact24 strategy.

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) for the members of the Management and Executive Committee;
- The targets for the business KPIs;
- The specific KPIs for the Chief Risk Officer (see 6.7.2 for more details on the specific KPIs.);
- The assessment of the results on the individual objectives and the business KPIs;
- 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.

The Board also received dedicated trainings and deep dives with respect to the upcoming new IFRS framework (IFRS 9 and 17) and ESG matters.

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

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 note 6.5 Board of Directors.

6.1.4 The Nomination and Corporate Governance Committee (NCGC)

On 31 December 2022, the Nomination and Corporate Governance Committee comprised the following members: Bart De Smet (Chairman), Guy de Selliers de Moranville, Richard Jackson, Yvonne Lang Ketterer and Jane Murphy. The CEO attended the meetings, except during discussions relating to his own situation.

In 2022, the Nomination and Corporate Governance Committee met on five occasions.

The following matters were dealt with:
- The competence matrix of the Board;
- The search and review of new board candidates in view of the general meeting 2023;
- The succession planning of the non-executive board members;
- The succession planning of the Executive Management;
- The succession of the Head of Compliance;
- The agenda of the 2022 Shareholders' Meetings;
- The targets of the CEO and the other members of the Executive Management;
- The performance of the CEO and the other members of the Executive Management;
- The assessment and action plan to further improve the governance;
- The review of the Corporate Governance Charter and the Articles of Association.

The Chairman of the Nomination and Corporate Governance Committee 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 2022.

On 31 December 2022, the Audit Committee was composed of three independent directors: Richard Jackson (Chair), Lucrezia Reichlin and Katleen Vandeweyer.

In addition to the Executive Committee members, the internal auditor and the Head of Finance and the external auditors attended the meetings.

The Audit Committee met on eight occasions in 2022 including one joint meeting with the Risk and Capital Committee. The following matters were considered:
- Monitoring the integrity of quarterly, 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 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;
- Reviewing the Liability Adequacy Test Report; and
- The implementation of IFRS 9 and 17.

During the joint meeting with the Risk and Capital Committee, the members discussed:
- The renewal of the external auditors;
- The assessment of the Internal Audit function;
- The Compliance Plan 2023;
- The Conflict of Interest Policy;
- The Personal transactions Policy.

The Chair of the Audit Committee had quarterly 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

The composition of the Remuneration Committee did not change in the course of 2022.

On 31 December 2022, the Remuneration Committee comprised the following members: Jane Murphy (Chair), Sonali Chandmal, Katleen Vandeweyer and 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 2022.

In 2022, the Remuneration 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 of the newly nominated Deputy CFO;
- The remuneration of the independent control functions;
- The recommendations of the audit report on Executive Remuneration.

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 note 6.7 of this chapter).

6.1.7 The Risk and Capital Committee (RCC)

On 31 December 2022, the Risk & Capital Committee comprised the following members: Yvonne Lang Ketterer (Chair), Guy de Selliers de Moranville and Jean-Michel Chatagny.

The Risk and Capital Committee met on seven 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 and Capital Committee in 2022 included:
- Monitoring of risk management, based on reports by management;
- Monitoring on a quarterly basis the performance of the asset management by segment and by asset class;
- Reviewing the risk policies prepared by management, including the review of the Information Security policy and the Environmental policy;
- Monitoring of the capital allocation and the solvency of the Ageas Group;
- Monitoring of the key risks and emerging risks;
- The business risks, with dedicated sessions per segment and to the reinsurance business;
- The Information Security report;
- The Actuarial Functions reports; and
- Solvency II model changes.

In the context of the new strategic plan Impact24, special attention has been given to the non-financial indicators, including the sustainability targets.

Next to the Executive Committee members and the responsible for the Actuarial function and the Director of Compliance joined the meetings.

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

6.2 Executive management

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.

All members of the Executive Committee exclusively are members of the Board of Directors. The CEO chairs the Executive Committee, which meets once a week according to a predetermined timetable. Further meetings are held whenever necessary.

The composition of the Executive Committee did not change in 2022.

At the end of 2022, 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;
- Christophe Boizard, 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 reinsurance 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 2022, 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.

6.3
Internal Risk Management

With regard to the risk management and internal control system, the Board approves appropriate frameworks for risk management and control. To this end, Ageas has 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 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.

For detailed information on the internal control framework, please refer to note 4 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 2022, the Ageas Board was composed of four male Non–Executive directors and six female Non–Executive directors next to five male Executive directors. In terms of nationality the Board is composed of six directors of Belgian nationality, one director of Dutch nationality, one director of Italian nationality, one director of French nationality, two directors of Swiss nationality, one director of Belgian-Canadian nationality, one director of British nationality, one director of Indian nationality and one director of German 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 three of Belgian nationality, one of French 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 68% male senior managers and 32% female senior managers.

6.4.3 Board Assessment
The Board of Directors followed-up on the recommendations issued by GUBERNA in the context of the assessment 2021 and performed a self-assessment of its functioning through individual questionnaires and interviews. Overall, there was a consensus among the respondents that the Board of Directors performs very well, both in the implementation of its roles and tasks and in its functioning. Nevertheless, some points of particular interest were brought forward, i.e. re the balance in the composition of the Board in terms of expertise and the balance in the allocated time for discussions during the meeting.

6.5
Board of directors


Bart De Smet
Chair I Chair CGC


Hans De Cuyper
CEO


Guy de Selliers de Moranville
Vice Chairman


Richerd Jackson
Chair AC


Jane Murphy
Chair RemCo


Yvonne Lang Ketterer
Chair RCC


Lucrezia Reichlin
Member


Katleen Vandeweyer
Member


Jean-Michel Chatagny
Member


Sonali Chandmal
Member


Carolin Gabor
Member


Emmanuel Van Grimbergen
CRO


Christophe Boizard
CFO


Filip Coremans
MD Asia


Antonio Cano
MD Europe

Chairman

Bart De Smet

- 1957 – Belgian – Male
- On 31 December 2022: 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

Guy de Selliers de Moranville

- 1952 – Belgian – Male
- On 31 December 2022, Vice Chairman of the Board of Directors, Member of the Risk & Capital Committee, Member of the Nomination and Corporate Governance Committee and Member of the Remuneration Committee.
- First appointed in 2009. Term runs until Annual General Meeting of Shareholders in 2023.

Richard Jackson

- 1956 – British – Independent – Male
- On 31 December 2022, 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.

Jane Murphy

- 1967 – Belgian / Canadian – Independent – Female
- On 31 December 2022, Member 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.

Yvonne Lang Ketterer

- 1965 – Swiss – Independent – Female
- On 31 December 2022, Member of the Board of Directors, Chairwoman of the Risk & 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 2022, 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 2022, 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 2022, Member of the Board of Directors and Member of the Risk and Capital 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 2022, 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 2022, Member of the Board of Directors.
- First appointed in 2022. Term runs until Annual General Meeting of Shareholders in 2026.

Hans De Cuyper
CEO

Christophe Boizard
CFO

Filip Coremans
MD Asia

Antonio Cano
MD Europe

Emmanuel Van Grimbergen
CRO

Members of the Executive Committee

Executive Board Members

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

Christophe Boizard
- 1959 – French – Executive – Male
- Chief Financial Officer
- First appointed as Board member in 2015. Term as Board member runs until Annual General Meeting of Shareholders in 2023.

Filip Coremans
- 1964 – Belgian – Executive – Male
- Managing Director Asia
- First appointed as Board member in 2015. Term as Board member runs until Annual General Meeting of Shareholders in 2023.

Antonio Cano
- 1963 – Dutch – Executive – Male
- Managing Director Europe
- First appointed as Board member in 2016. Term as Board member runs until Annual General Meeting of Shareholders in 2024.

Emmanuel Van Grimbergen
- 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 2023.

Company Secretary
- Valérie Van Zeveren

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

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:

Name	Board meetings*** Held	Attended		Audit Committee meetings Held*	Attended	Corporate Governance Committee meetings Held	Attended	Remuneration Committee meetings Held	Attended	Risk & Capital Committee meetings Held*	Attended
Hans De Cuyper	12	12	(100%)								
Antonio Cano	12	12	(100%)								
Christophe Boizard	12	12	(100%)								
Emmanuel Van Grimbergen	12	12	(100%)								
Filip Coremans	12	12	(100%)								
Bart De Smet**	12	12	(100%)			5	5	3	3		
Guy de Selliers de Moranville	12	12	(100%)			5	5	3	2	7	7
Jane Murphy	12	12	(100%)			5	5	3	3		
Katleen Vandeweyer	12	10	(83%)	8	8			3	3		
Lucrezia Reichlin	12	11	(92%)	8	7						
Richard Jackson	12	10	(83%)	8	8	5	5				
Sonali Chandmal	12	12	(100%)					3	3		
Yvonne Lang Ketterer	12	12	(100%)			5	5			7	7
Jean-Michel Chatagny	12	11	(92%)							7	7
New Board member as per May 2022 (held meetings are since the General Meeting)											
Carolin Gabor	7	7	(100%)								

Including the joint meeting RCC / AC. Mrs. Chandmal and Mrs. Murphy attended this joint meeting.

** *Mr. De Smet participated to the RemCo meetings as invitee*

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

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.

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 2022 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 18 Shareholders' equity and note 20 Subordinated liabilities in the Ageas Consolidated Financial Statements 2022;
- Restrictions on the transfer of shares extend only to preference shares (if issued) and the securities described in note 20 Subordinated liabilities in the Ageas Consolidated Financial Statements 2022;
- Ageas lists in note 1 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 18 Shareholders' equity and note 20 Subordinated liabilities in the Ageas Consolidated Financial Statements 2022;
- Share option and share purchase plans, if any, are outlined in note 6 note 6.2 Employee share and share-linked incentive plans in the Ageas Consolidated Financial Statements 2022. 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 18 Shareholders' equity, note 7 Related parties and note 20 Subordinated liabilities in the Ageas Consolidated Financial Statements 2022, 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 16 June 2024;
- 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 18 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.

6.7 Report of the Remuneration Committee

On behalf of the Remuneration Committee, I am pleased to present our Remuneration Report for 2022.

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 2022 performance, amongst others in terms of sustainability and social responsibility, is reflected in our executive remuneration.

The format of the Report has been refreshed, for ease of reading it now integrates the reporting on the remuneration outcomes for the year 2022 (formerly in the notes of the Annual Consolidated Statements) and is in three parts:
- The application of our Remuneration Policy in 2022.
- The Remuneration and performance outcomes for 2022.
- A summary of the main elements of our Remuneration policy for Executive Management and Non-Executive directors.

2022 Company performance

The first year of our new strategic cycle Impact24 shows delivery of solid financial performance and ability to deliver on our commitments for our stakeholders. The plan set clear financial ambitions for our core business, for our new growth engines and cascaded the strong focus on sustainability to a clear set of non-financial KPI's.
- Financial results demonstrate solid underlying insurance performance while adverse financial markets and the strong impact of inflation affected our net result.
- Tech efficiencies, agency initiatives and the launch of digital platforms with SPROUT onboarding 3 operating companies to the eBao Tech contract are the first tangible results of the transversal initiatives under the lead of the Chief Development and Sustainability Office.
- Customer service levels in the operational entities remained strong and further improved both at the level of the relational and transactional Net Promotor score.
- Employee Net Promotor score although slightly down remained strong and clearly above market benchmark. The continued efforts on Diversity and Inclusion resulted in an improvement of our Gender Diver Index (GDI as measured by Women on Board) from 0.68 to 0.75.
- The achievements on the ESG- ambitions particularly on CO_2 – reduction and sustainable investments translated into improved ratings from ESG-rating agencies.

2022 remuneration outcomes

- In 2022, the total remuneration including pension contributions and fringe benefits of the Executive Committee amounted to EUR 6,695,953 compared to EUR 7,197,532 in 2021.
- The Board determined the score of the business component for the annual incentive at 92.1% for an on target of 100%. In determining the annual incentive, the Board carefully considered individual performance in addition to the above mentioned business performance.
- Based on the relative Total Shareholder Return (TSR) over the performance period, the Long Term Investment Plan (LTIP) of 2018 vested on 01 July 2022 at 200% of the initial grant.
- The LTIP over 2022 was granted at 100 % of the target resulting in a total of 28,048 Ageas shares committed to be granted.
- Total CEO–pay for 2022 versus the average employee remuneration results in a comparative ratio of 21.8. In relation to the lowest employee remuneration at Ageas SA/NV this results in a comparative ratio of 31.

Audit on Executive Remuneration

In the context of the yearly audit plan an audit was conducted on the application of the Ageas Remuneration policy to identified staff. The audit report concluded that remunerations granted and paid to Executive Management comply with the Ageas Remuneration policy as well as with applicable regulations.

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. The policy was validated with 77.51 % of shareholder votes. There have been no major changes to the policy since then. The Remuneration Report 2021 was validated with 93.81% of shareholder votes.

Looking ahead

The Remuneration Committee discussed the competitive benchmarking of the remuneration of the Executive Committee against current market practices. Based on this benchmark, the fact that no adjustments happened since 1 January 2019 (01/01/2021 for the CRO) and the inflation rate over the period 2019-2022, the Remuneration Committee recommended, and the Board approved to increase the base compensation of the Exco- members from EUR 485.000 to EUR 510,000 gross/year. This increase will apply as of January 2023.

The Remuneration Committee discussed the impact of the Implementation of IFRS 9/17 on the framework of the financial KPI's and developed an adjusted proposal for the business KPI's of 2023.

Succession of Christophe Boizard

As announced, Christophe Boizard will step down from his position as Chief Financial Officer (CFO) on 31 May 2023. He will be succeeded by Wim Guilliams. As of 01 January 2023, Wim Guilliams took on the role of deputy CFO of Ageas.

Conclusion

In this first year of the Impact24 plan Ageas has delivered a solid performance in a challenging external context. 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 2022 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 17 May 2023.

Jane Murphy
Chair of the Remuneration Committee

6.7.1 The application of our Remuneration Policy in 2022.

The Remuneration Committee

The Remuneration Committee consists of Jane Murphy (Chair), Katleen Vandeweyer, Sonali Chandmal and Guy de Selliers. There were no changes in the committee composition in 2022. 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 note 6.5 Board of Directors.

The Remuneration Committee is assisted by WillisTowers Watson (WTW) 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 2022

In 2022, 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 of the newly nominated Deputy CFO
- The remuneration of the independent control functions
- The recommendations of the audit report on Executive Remuneration.
- The individual targets (quantitative and qualitative) for the members of the Management and Executive Committee for 2022;
- The targets for the business KPIs for 2022;
- The specific KPI's for the Chief Risk Officer; (see 6.7.2.2 for more details on the specific KPIs) for 2022;
- The assessment of the results on the individual objectives and the business KPIs for 2021.;
- 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

The key objectives of our policy are 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

6.7.2 Actual Remuneration 2022

6.7.2.1 Board of Directors

Changes in the Board of Directors in 2022

The Board of Directors currently consists of fifteen members: Bart De Smet (Chairman), Guy de Selliers de Moranville (Vice-Chairman) Katleen Vandeweyer, Jane Murphy, Richard Jackson, Lucrezia Reichlin, Yvonne Lang Ketterer, Sonali Chandmal, Jean-Michel Chatagny and Caroline Gabor as Non-Executive Directors and, Hans De Cuyper (CEO), Christophe Boizard (CFO), Filip Coremans (MD Asia), Antonio Cano (MD Europe) and Emmanuel Van Grimbergen (CRO) as Executive Directors.

Carolin Gabor was appointed as a new member of the Board of Directors at the General Meeting of Shareholders of 18 May 2022.

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, Guy de Selliers de Moranville is Chairman of the Board of Directors of AG Insurance SA/NV and Katleen Vandeweyer is a member of this Board. Jane Murphy is member of the Board of Directors of Ageas France SA 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 1.49 million in the 2022 financial year (2021: EUR 1.48 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 2022 is detailed in the table below. The number of Ageas shares held by Board Members at 31 December 2022 is reported in the same table.

Incumbent Name (1)	Function (2)	Fixed fees 2022	Attendance fees 2022	Total (4)	Ageas Shares at 31/12/2022	
Bart De Smet	Chairman	120,000	49,500	169,500	45,121	
Guy de Selliers de Moranville	Vice-chairman	60,000	47,000	107,000	264,390	(5)
Yvonne Lang Ketterer	Non-executive Board member	60,000	47,500	107,500	-	
Richard Jackson	Non-executive Board member	60,000	47,000	107,000	-	
Jane Murphy	Non-executive Board member	60,000	43,000	103,000	-	
Lucrezia Reichlin	Non-executive Board member	60,000	36,500	96,500	-	
Katleen Vandeweyer	Non-executive Board member	60,000	44,500	104,500	-	
Sonali Chandmal	Non-executive Board member	60,000	32,000	92,000	-	
Jean-Michel Chatagny	Non-executive Board member	60,000	34,500	94,500	-	
Carolin Gabor	Non-executive Board member	35,000	14,000	49,000		
Hans De Cuyper	Chief Executive Officer (CEO) (3)	-	-	see infra	9,161	
Christophe Boizard	Chief Financial Officer (CFO) (3)	-	-	see infra	31,454	
Filip Coremans	Managing Director Asia (MD Asia) (3)	-	-	see infra	18,407	
Antonio Cano	Managing Director Europe (MD Europe) (3)	-	-	see infra	15,982	
Emmanuel Van Grimbergen	Chief Risk Officer (CRO) (3)	-	-	see infra	10,829	
Total		**635,000**	**395,500**	**1,030,500**	**395,344**	

(1) Carolin Gabor was appointed as new member of the Board at the general shareholder's meeting of 18 May 2022.
(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) 240,000 Shares held indirectly via trusts

The remuneration received by Board of Directors Members in 2022 for their mandates in subsidiaries of Ageas is mentioned in the table below.

Incumbent Name (1)	Function	Fixed fees 2022	Attendance fees 2022	Total (2)
Bart De Smet	Chairman	45,000	18,000	63,000
Guy de Selliers de Moranville	Vice-chairman	60,000	21,000	81,000
Yvonne Lang Ketterer	Non-executive Board member	45,000	15,500	60,500
Richard Jackson	Non-executive Board member	45,000	18,000	63,000
Jane Murphy	Non-executive Board member	45,000	22,000	67,000
Lucrezia Reichlin	Non-executive Board member	-	-	
Katleen Vandeweyer	Non-executive Board member	45,000	23,000	68,000
Sonali Chandmal	Non-executive Board member	45,000	16,500	61,500
Jean-Michel Chatagny	Non-executive Board member	-	-	-
Carolin Gabor	Non-executive Board member			
Hans De Cuyper	Chief Executive Officer (CEO)	-	-	-
Christophe Boizard	Chief Financial Officer (CFO)	-	-	-
Filip Coremans	Managing Director Asia (MD Asia)	-	-	-
Antonio Cano	Managing Director Europe (MD Europe)	-	-	-
Emmanuel Van Grimbergen	Chief Risk Officer (CRO)	-	-	-
Total		**330,000**	**134,000**	**464,000**

(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 2022

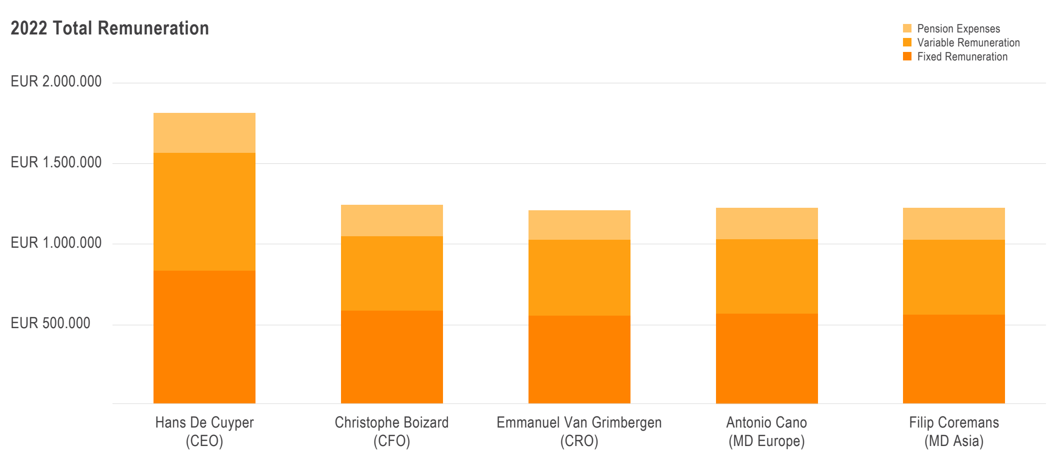
As of 31st December 2022, the Executive Committee of Ageas was composed of Hans De Cuyper (CEO), Christophe Boizard (CFO), Filip Coremans (MD Asia), Antonio Cano (MD Europe) and Emmanuel Van Grimbergen (CRO).

Total Remuneration of the Executive Committee for 2022

In 2022, the total remuneration including pension contributions and fringe benefits of the Executive Committee amounted to EUR 6,695,953 compared to EUR 7,197,532 in 2021. This was comprised of:

- a fixed remuneration of EUR 3,103,624 (compared to EUR 2,992,150 in 2021) consisting of a base compensation of EUR 2,690,000 and other benefits (health, death & disability cover and company car) of EUR 413,624
- a variable remuneration of EUR 2,586,500 (compared to EUR 3,279,138 in 2021) consisting of a one-year variable remuneration (STI) awarded of EUR 1,376,000 payable in cash over a period of 3 years and a multi-year variable (LTI) vested in the form of shares with value EUR 1,210,500
- pension expenses of EUR 1,005,829 (excluding taxes) (compared to EUR 926,244 (excluding taxes) in 2021).

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	
	Base		Other	One-Year	Multi-year				Fixed	Variable
Incumbent Name	**Compensation**	**Fees**	**Benefits**	**Variable**	**Variable (1)**				**(1+4)/5**	**(2+3)/5**
H. De Cuyper	750,000	-	90,163	389,139	337,500	-	240,451	1,807,253	60%	40%
C. Boizard	485,000	-	100,384	241,459	218,250	-	193,842	1,238,935	63%	37%
E. Van Grimbergen	485,000	-	66,564	255,936	218,250	-	180,630	1,206,380	61%	39%
A. Cano	485,000	-	80,242	241,459	218,250	-	194,931	1,219,882	62%	38%
F. Coremans	485,000	-	76,271	248,007	218,250	-	195,975	1,223,503	62%	38%
Total	**2,690,000**	**-**	**413,624**	**1,376,000**	**1,210,500**	**0**	**1,005,829**	**6,695,953**		

(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.

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 2022 base compensation levels of the Executive Committee and how they compare to 2021.

Incumbent Name	**2022**	**2021**	**%**
Hans De Cuyper (CEO)	750,000	650,000	115%
Christophe Boizard (CFO)	485,000	485,000	100%
Emmanuel Van Grimbergen (CRO)	485,000	485,000	100%
Antonio Cano (MD Europe)	485,000	485,000	100%
Filip Coremans (MD Asia)	485,000	485,000	100%
Total	**2,690,000**	**2,590,000**	**104%**

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 413,624 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) : 104% of target;
- Christophe Boizard (CFO): 100 % of target;
- Emmanuel Van Grimbergen (CRO): 106% of target;
- Antonio Cano (MD Europe): 100% of target;
- Filip Coremans (MD Asia): 102% of target.

For the performance year 2022, a STI for a total amount of EUR 1,376,000 was awarded. 50% of this amount will be paid in 2022 the remaining part is deferred to 2023 and 2024 and will be adjusted for performance accordingly.

The STI paid in 2023 consists of 50% of the STI earned for the performance year 2022, 25% of the STI earned for 2021 and 25% of the STI earned for 2020. The pay-outs corresponding to performance years 2020 and 2021 were adjusted based on performance over the years 2022 and 2021.

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

Incumbent Name	STI granted for performance year 2022	STI paid in 2023 for performance years 2022 50%	2021 25%	2020 25%	Total
Hans De Cuyper (CEO) (1)	389,139	194,570	90,620	15,992	301,182
Christophe Boizard (CFO)	241,459	120,730	65,073	69,589	255,392
Emmanuel Van Grimbergen (CRO)	255,936	127,968	67,700	58,041	253,709
Antonio Cano (MD Europe)	241,459	120,730	66,347	70,320	257,397
Filip Coremans (MD Asia)	248,007	124,004	67,617	71,956	263,577
Total	**1,376,000**				**1,331,255**

(1) As of 22 October 2020.

Performance criteria for the 2022 STI

All variable remuneration in relation to the 2022 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	92%	70%	131%	30%	na	0%	104%
Christophe Boizard	92%	70%	117%	30%	na	0%	100%
Emmanuel Van Grimbergen (2)	92%	40%	119%	30%	110%	30%	106%
Antonio Cano	92%	70%	117%	30%	na	0%	100%
Filip Coremans	92%	70%	126%	30%	na	0%	102%

(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 Chairman for the CEO. The final score is assigned following the calibration discussion at the Board of Directors. Next to this leadership score weighting for half of the individual component, each ExCo- member was assessed on specific objectives linked to his area of responsibility and the implementation of the Impact24 plan.

For the CRO specific KPI related to the Risk function are weighting for 30 % in the assessment. These KPI include qualitative and operational objectives on model validation and the actuarial function, on Enterprise Risk Management (ERM), information security and GDPR, on ESG and climate related disclosures and SCR.

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 %.

Detail of Ageas Business Score (1)

Ageas Metrics		Weight	Threshold	Target	Maximum	Actual	Achievement	Pay-out as % of Target
Financial	Net profit	14.0%	772.5	965.6	1,158.7	871	7.14%	51.00%
	Earnings per share (EPS)	7.0%	4.18	5.23	6.27	4.73	3.67%	52.40%
	Free Cash flow	7,0%	488	610	732	703	12.33%	176.2%
	Growth	3.5%		average of operational companies			3.15%	90.00%
	Combined Ratio	7.0%	97.0%	94.0%	93.0%	96.5%	1.17%	16.70%
	Operating margin guaranteed	7.0%	0.85%	0.95%	1.05%	0.91%	4.20%	60.00%
	Operating margin unit linked	3.5%	0.30%	0.35%	0.45%	0.36%	3.85%	110.00%
Stakeholders	Employee NPS	5.3%	no NPS data & participation <40%	NPS]50-75P] & participation >=60 %	NPS [75-100P] & participation >=80 %	NPS= 56 = third quartile, participation = 88 %	7.88%	150.00%
	Customer NPS	5.3%		average of operational companies			7.09%	135.00%
	Impact24 - ESG KPI’s	7.0%	decline vs zero measurement on 6 KPI'S	zero measurement for all KPI’s + progress for some	roadmap 2023 + 2022 targets achieved	roadmap 2023 + progress on 4 of 6 KPI’s	10.50%	150.00%
	ESG-rating	3.5%	1 or less rating better	4 of 6 ratings better	5 of 6 ratings better with 10% increase	2 of 4 updated ratings better + 1 stable	3.50%	100.00%
Total		70%					64%	92%

(1) Scores range from 0%, to 100% for on target performance, to max 200% for overperformance.

The financial KPI set are fully aligned with the Impact24 strategic plan and budget. The overall weight of the financial KPI's in the Ageas performance score decreased to 70 % (from 80 % in 2021) whereas the weight of the non-financial KPI's increased to 30 % (from 20 % in 2021).

The stakeholder KPI include
- Employee NPS: employee net promotor score is based on the results of the engagement surveys conducted in all consolidated entities and major joint ventures. With a participation rate of 88 % and an NPS of 56 (Deloitte benchmark) a score of 150 % was achieved 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 135 % on a range of 0-200%.
- ESG : The 133% score for the ESG- KPI is based on the evolution of the ratings for the ESG rating agencies, on the reduction of the CO_2 level and the progress made on the investments in sustainable assets and the GWP in sustainable products.

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

Long Term Incentive (LTI)

Grants made in 2022

Considering an Ageas business score of 4 (on a range of 1 to 7), the Board of Directors decided on a grant level for 2022 of 100 % of the target (i.e. 45% of base compensation), in line with our Remuneration Policy. Based on the volume weighted average price (VWAP) of EUR 43.1567 of the Ageas share over the month of February 2023, this resulted in a conditional grant of 28,048 shares for an amount of EUR 1,210,500 in comparison to 2021 when 40,206 shares were granted for an amount of EUR 1,748,250. The shares vest 3.5 years after grant. In addition, a holding period of 1.5 years is applicable to any vested shares. The combination of the vesting period and post-vesting holding period implies that the Executive Committee members will be restricted from selling or transferring any vested shares for a period of 5 years from grant.

The 2022 grant is detailed in the following table:

Incumbent Name	Date of Grant	Share Price at Grant Date	Number of Shares Granted
Hans De Cuyper (CEO)	01/03/2023	43.1567	7,820
Christophe Boizard (CFO)	01/03/2023	43.1567	5,057
Emmanuel Van Grimbergen (CRO)	01/03/2023	43.1567	5,057
Antonio Cano (MD Europe)	01/03/2023	43.1567	5,057
Filip Coremans (MD Asia)	01/03/2023	43.1567	5,057
Total			**28,048**

2022 vesting

The 2018- LTI plan vested on 30 June 2022. According to the terms and conditions of the LTI Plan 2018, 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 above the upper quartile of the peer group. As such, maximum number of shares vested. In any case the total value of the vested award can never exceed 90% of base compensation, based on share price at grant.

The table below gives an overview of the number of vested shares for each member of the ExCo. All vested shares are subject to a post-vesting holding period of 1.5 years.

Incumbent Name	Number of shares committed to be granted for 2018	Adjusted number vested on 30 June 2022	Number of shares sold to finance income tax	Number of shares blocked till 1 January 2024
Hans De Cuyper (1)	2,954	5,908	2,892	3,016
Christophe Boizard	4,805	9,610	4,704	4,906
Emmanuel Van Grimbergen (2)	2,228	4,456	2,181	2,275
Antonio Cano	4,805	9,610	4,704	4,906
Filip Coremans	4,805	9,610	4,704	4,906
Total	**19,597**	**39,194**	**19,185**	**20,009**

(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 2019	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	9,790	8,617	0	0
Hans De Cuyper (1)	4,196	5,293	10,090	7,820
Christophe Boizard	6,783	7,165	7,529	5,057
Emmanuel Van Grimbergen (2)	4,504	5,909	7,529	5,057
Antonio Cano	6,783	7,165	7,529	5,057
Filip Coremans	6,783	7,165	7,529	5,057
Total	**38,839**	**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.
(2) Shares granted until 1 June 2019 relate to his mandate as Group Risk Officer.

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 31/12/2022. 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 31-12-2022	Value at 31-12-2022	Base salary	Ratio
Hans De Cuyper	9,161	41.42	379,449	750,000	51%
Christophe Boizard	31,454	41.42	1,302,825	485,000	269%
Emmanuel Van Grimbergen	10,829	41.42	448,537	485,000	92%
Antonio Cano	15,982	41.42	661,974	485,000	136%
Filip Coremans	18,407	41.42	762,418	485,000	157%

C. EXTRAORDINARY ITEMS AND PENSION EXPENSES.

A total aggregated amount of EUR 1,005,829 was contributed to a defined contribution pension plan for the Executive Committee members.

Incumbent Name	Pension Contribution
Hans De Cuyper	240,451
Christophe Boizard	193,842
Emmanuel Van Grimbergen	180,630
Antonio Cano	194,931
Filip Coremans	195,975
Total	**1,005,829**

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 2022.

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 2022 versus the average employee remuneration results in a comparative ratio of 21,8 In relation to the lowest employee remuneration at Ageas SA/NV this results in a comparative ratio of 31

Annual change	2018	Var	2019	Var	2020	Var	2021	Var	2022	var
Exco total remuneration (1)										
Hans De Cuyper (as of 22/10/2020)	0		0		292,097		1,736,678		1,807,253	4%
Christophe Boizard	1,161,803		1,396,680	20%	1,419,062	2%	1,390,926	(2%)	1,238,935	(11%)
Filip Coremans	1,144,313		1,376,144	20%	1,405,707	2%	1,375,878	(2%)	1,223,503	(11%)
Antonio Cano	1,130,143		1,381,156	22%	1,402,383	2%	1,373,483	(2%)	1,219,882	(11%)
Emmanuel Van Grimbergen (as of 01/06/2019)	N/A		619,993		1,090,275		1,320,567	21%	1,206,380	(9%)
Company performance										
Ageas Business score % (2)	93%		130%		136%		116%		92%	
TSR 01-01/31-12 of YR (3)	1.21%		40.86%		(10.70%)		10.00%		0.90%	
Average remuneration of employees on full- time base	73,512		77,372	5.3%	83,029	7.0%	84,355	7%	82,903	(2%)
FTE at 31/12 (4)	11,009.0		10,741.5		10,044.7		10,100.2		11,121.5	
Total staff expenses (5)	809,300,000		831,100,000		834,000,000		852,000,000		922,000,000	
Pay ratio average remuneration to CEO remuneration (6)	**22.7**		**26.0**		**24.1**		**20.6**		**21.8**	
Pay ratio lowest remuneration (7) to CEO remuneration (6)							**33.4**		**31.0**	

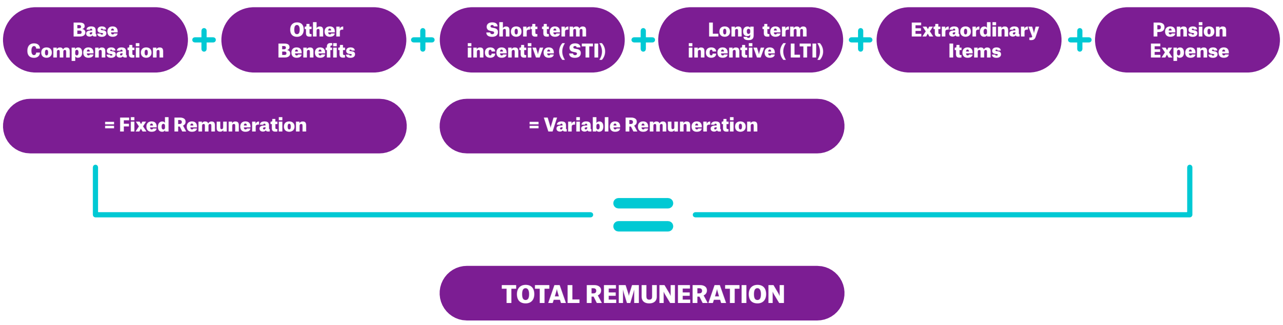
(1) Total remuneration as defined in table for 6.7.2.2.
(2) Range is 0-200%.
(3) Total Shareholder Return.
(4) FTE for Ageas consolidated entities, for Anima and AFLIC pro rata as of the date of consolidation
(5) As reported in the annual accounts.
(6) For comparison with previous years, CEO remuneration 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 2022 at a glance.

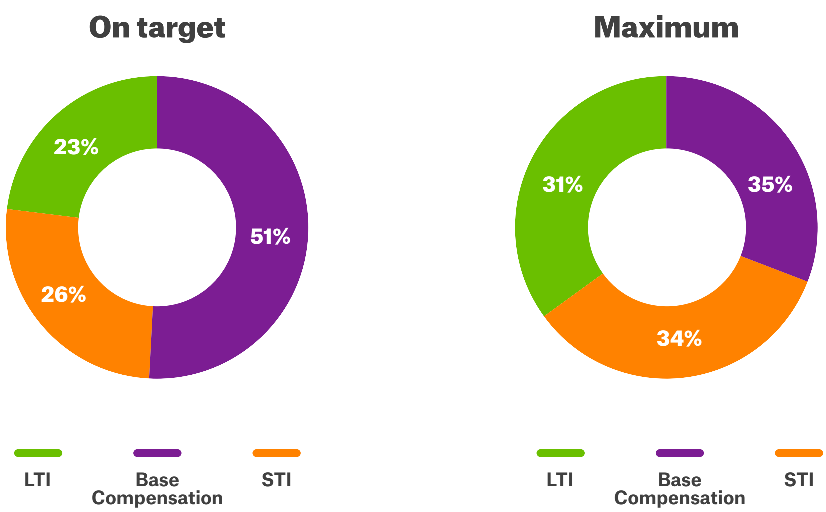
In this section of the report, you will find a summary of the main elements of our Remuneration policy for Executive management and Non- Executive Directors.

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:



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, disability 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.

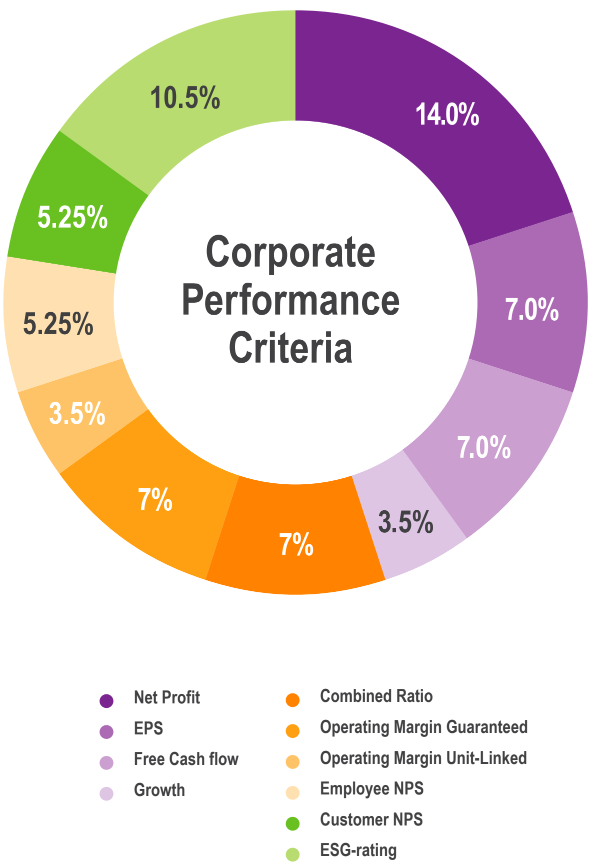
The STI is subject to a deferral period of three years, i.e. STI for performance year N is paid out as follows:
- 50% during N + 1
- 25% during N + 2
- 25% during N + 3

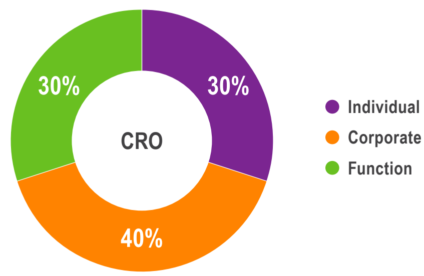
In line with the Remuneration Policy, deferred amounts are subject to the achievement of sustained performance over the deferral period and are therefore subject to upwards or downwards adjustments.

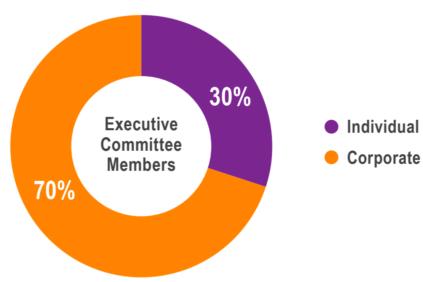
The Short-Term Incentive Plan includes a claw-back provision.

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' 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 2022 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 2022

Consolidated statement of financial position

(before appropriation of profit)

	Note	31 December 2022	31 December 2021
Assets			
Cash and cash equivalents	9	1,153	1,937
Financial investments	10	46,902	59,952
Investment property	11	3,030	3,117
Loans	12	15,533	14,492
Investments related to unit-linked contracts		15,795	18,899
Equity accounted investments	13	4,908	5,328
Reinsurance and other receivables	14	1,993	2,149
Current tax assets		138	53
Deferred tax assets	22	918	100
Accrued interest and other assets	15	1,941	2,039
Property, plant and equipment	16	2,227	1,732
Goodwill and other intangible assets	17	1,561	1,322
Assets held for sale	3.5	4,205	19
Total assets		**100,304**	**111,139**
Liabilities			
Liabilities arising from Life insurance contracts	19.1	25,522	28,673
Liabilities arising from Life investment contracts	19.2	28,700	30,617
Liabilities related to unit-linked contracts	19.3	15,801	18,901
Liabilities arising from Non-life insurance contracts	19.4	7,876	7,889
Subordinated liabilities	20	2,517	2,748
Borrowings	21	3,812	3,616
Current tax liabilities		31	16
Deferred tax liabilities	22	398	971
RPN(I)	23	334	520
Accrued interest and other liabilities	24	2,684	2,834
Provisions	25	71	182
Liabilities related to assets held for sale		3,926	
Total liabilities		**91,672**	**96,967**
Shareholders' equity	18	7,582	11,914
Non-controlling interests	26	1,050	2,258
Total equity		**8,632**	**14,172**
Total liabilities and equity		**100,304**	**111,139**

Consolidated income statement

	Note		2022		2021
Income					
- *Gross premium income*		*8,930*		*8,979*	
- *Change in unearned premiums*		*43*		*14*	
- *Ceded earned premiums*		*(466)*		*(460)*	
Net earned premiums	*30*		8,507		8,533
Interest, dividend and other investment income	*31*		2,648		2,427
Unrealised gain (loss) on RPN(I)	*23*		139		(101)
Result on sales and revaluations	*32*		621		294
Investment income related to unit-linked contracts	*33*		(2,526)		1,406
Share in result of equity accounted investments	*13*		261		464
Fee and commission income	*34*		437		467
Other income	*35*		296		282
Total income			**10,383**		**13,772**
Expenses					
- *Insurance claims and benefits, gross*		*(7,732)*		*(7,757)*	
- *Insurance claims and benefits, ceded*		*248*		*286*	
Insurance claims and benefits, net	*36*		(7,484)		(7,471)
Charges related to unit-linked contracts			2,373		(1,572)
Financing costs	*37*		(187)		(138)
Change in impairments	*38*		(167)		(41)
Change in provisions	*25*		6		15
Fee and commission expenses	*39*		(1,138)		(1,213)
Staff expenses	*40*		(922)		(852)
Other expenses	*41*		(1,412)		(1,269)
Total expenses			**(8,931)**		**(12,541)**
Result before taxation			**1,452**		**1,231**
Tax income (expenses)	*42*		(229)		(215)
Net result for the period			**1,223**		**1,016**
Attributable to non-controlling interests	*26*		212		171
Net result attributable to shareholders			**1,011**		**845**
Per share data (EUR)					
Basic earnings per share	*18*		5.49		4.52
Diluted earnings per share	*18*		5.48		4.52

Gross inflow (sum of gross written premiums and premium inflow from investment contracts without discretionary participation features) can be presented as below.

	Note	2022	2021
Gross premium income		8,930	8,979
Inflow deposit accounting (directly recognised as liability)	*30*	1,339	1,826
Gross inflow		**10,269**	**10,805**

Consolidated statement of comprehensive income

	Note		2022		2021
COMPREHENSIVE INCOME					
Items that will not be reclassified to the income statement:					
Remeasurement of defined benefit liability		*263*		*131*	
Related tax		*(61)*		*(34)*	
Remeasurement of defined benefit liability	*6*	202		97	
Total of items that will not be reclassified to the income statement:			**202**		**97**
Items that are or may be reclassified to the income statement:					
Change in amortisation of investments held to maturity		*1*		*2*	
Related tax					
Change in amortisation of investments held to maturity	*10*	1		2	
Change in revaluation of investments available for sale (1)		*(7,082)*		*(298)*	
Related tax		*1,663*		*161*	
Change in revaluation of investments available for sale	*10*	(5,419)		(137)	
Share of other comprehensive income of equity accounted investments	*13*	(490)		(168)	
Change in foreign exchange differences		15		291	
Total items that are or may be reclassified to the income statement:			**(5,893)**		**(12)**
Other comprehensive income for the period			**(5,691)**		**85**
of which:					
Other comprehensive income relating to disposal group held for sale			(45)		
Net result for the period			1,223		1,016
Total comprehensive income for the period			**(4,468)**		**1,101**
Net result attributable to non-controlling interests		212		171	
Other comprehensive income attributable to non-controlling interests		(1,221)		12	
Total comprehensive income attributable to non-controlling interests			**(1,009)**		**183**
Total comprehensive income attributable to shareholders			**(3,459)**		**918**

(1) Change in revaluation of investments available for sale, includes the revaluation of cash flow hedges and is net of currency differences and shadow accounting.
Revaluation of debt securities was adversely impacted by rising interest rates in 2022 and volatility in equity markets also had a negative impact on the revaluation of equity securities. See note 10 Financial investments for more details.

Consolidated statement of changes in equity

	Share capital	Share premium reserve	Other reserves	Currency translation reserve	Net result attributable to shareholders	Unrealised gains and losses	Share-holders' equity	Non-controlling interests	Total Equity
Balance as at 1 January 2021	**1,502**	**2,051**	**2,978**	**(260)**	**1,141**	**4,143**	**11,555**	**2,219**	**13,774**
Net result for the period					845		845	171	1,016
Revaluation of investments						(296)	(296)	(7)	(303)
Remeasurement IAS 19			79				79	18	97
Foreign exchange differences				290			290	1	291
Total non-owner changes in equity			79	290	845	(296)	918	183	1,101
Transfer			1,141		(1,141)				
Dividend			(485)				(485)	(140)	(625)
Change in capital								2	2
Treasury shares			(52)				(52)		(52)
Share-based compensation			(1)				(1)		(1)
Other changes in equity (1)			(20)	(1)			(21)	(6)	(27)
Balance as at 1 January 2022	**1,502**	**2,051**	**3,640**	**29**	**845**	**3,847**	**11,914**	**2,258**	**14,172**
First time application of IAS 29			1	10			11		11
Restated balance as at 1 January 2022	**1,502**	**2,051**	**3,641**	**39**	**845**	**3,847**	**11,925**	**2,258**	**14,183**
of which amounts recognised in OCI and accumulated in equity relating to disposal group held for sale						*27*	*27*		*27*
Net result for the period					1,011		1,011	212	1,223
Revaluation of investments						(4,641)	(4,641)	(1,267)	(5,908)
Remeasurement IAS 19			150				150	52	202
Foreign exchange differences				21			21	(6)	15
Total non-owner changes in equity			150	21	1,011	(4,641)	(3,459)	(1,009)	(4,468)
Transfer			845		(845)				
Dividend			(765)				(765)	(268)	(1,033)
Change in capital									
Treasury shares			(91)				(91)		(91)
Share-based compensation			(1)				(1)		(1)
Other changes in equity (1)			(27)				(27)	69	42
Balance as at 31 December 2022	**1,502**	**2,051**	**3,752**	**60**	**1,011**	**(794)**	**7,582**	**1,050**	**8,632**
of which amounts recognised in OCI and accumulated in equity relating to disposal group held for sale						*(18)*	*(18)*		*(18)*

(1) Other changes in shareholders' equity include changes in the fair value of the put option on Interparking shares, an indemnity paid to BNP Paribas Fortis SA/NV for Ageas shares held related to the CASHES securities (see note 43.2) and, if and when applicable, capital distributions to holders of FRESH and CASHES securities because Ageas's dividend yield exceeded 5%.

Consolidated statement of cash flow

	Note	2022		2021	
Cash and cash equivalents as at 1 January	*9*		**1,937**		**2,241**
Result before taxation			1,452		1,231
Adjustments to non-cash items included in result before taxation:					
Remeasurement RPN(I)	*23*	(139)		101	
Result on sales and revaluations	*32*	(559)		(294)	
Share in result of equity accounted investments	*13*	(261)		(464)	
Depreciation, amortisation and accretion	*41*	876		833	
Impairments	*38*	167		41	
Provisions	*25*	(6)		(15)	
Share-based compensation expense	*40*	3		7	
Total adjustments to non-cash items included in result before taxation			*81*		*209*
Changes in operating assets and liabilities:					
Derivatives held for trading (assets and liabilities)	*10*	(34)		17	
Loans	*12*	(1,064)		(1,093)	
Reinsurance and other receivables	*14*	195		(57)	
Investments related to unit-linked contracts		2,067		(1,812)	
Proceeds from the issuance of borrowings	*21*	106		13	
Payment of borrowings	*21*	(169)		(375)	
Liabilities arising from insurance and investment contracts	*19.1 & 19.2 & 19.4*	(3,387)		(1,723)	
Liabilities related to unit-linked contracts	*19*	(1,561)		2,045	
Net changes in all other operational assets and liabilities		1,739		524	
Dividend received from associates	*13*	184		219	
Income tax paid		(197)		(263)	
Total changes in operating assets and liabilities			*(2,121)*		*(2,505)*
Cash flow from operating activities			**(588)**		**(1,065)**
Investing activities within the group				(1)	
Purchases of financial investments	*10*	(7,876)		(4,751)	
Proceeds from sales and redemptions of financial investments	*10*	9,249		6,547	
Purchases of investment property	*11*	(162)		(377)	
Proceeds from sales of investment property	*11*	449		177	
Purchases of property, plant and equipment	*16*	(96)		(50)	
Proceeds from sales of property, plant and equipment	*16*	21		24	
Acquisitions of subsidiaries and equity accounted investments (including capital increases in equity accounted investments)	*3*	(488)		(233)	
Divestments of subsidiaries and equity accounted investments (including capital repayments of equity accounted investments)	*3*			200	
Purchases of intangible assets	*17*	(68)		(97)	
Proceeds from sales of intangible assets		6			
Cash flow from investing activities			**1,035**		**1,439**
Purchases of treasury shares		(91)		(56)	
Dividends paid to shareholders of parent companies		(765)		(485)	
Dividends paid to non-controlling interests		(268)		(140)	
Repayment of capital (including minority interests)		(2)		(3)	
Cash flow from financing activities			**(1,126)**		**(684)**
Effect of exchange rate differences on cash and cash equivalents			**(16)**		**6**
Cash and cash equivalents as at 31 December, from continued operations		1,153			
Cash and cash equivalents as at 31 December, from disposal group held for sale		89			
Cash and cash equivalents as at 31 December			**1,242**		**1,937**
Supplementary disclosure of operating cash flow information					
Interest received		1,853		1,840	
Dividend received from financial investments		164		161	
Interest paid		(162)		(142)	

C

General notes

1

Legal structure

Ageas SA/NV, incorporated in Belgium with its registered office at Rue du Marquis 1/Markiesstraat 1, Brussels, Belgium* is the parent company of the Ageas group. The 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.

* *Please note that Ageas's registered offices will be at Manhattan Center Brussels, Avenue du Boulevard 21, 1210 Brussels, Belgium, as from 21 April 2023.,*

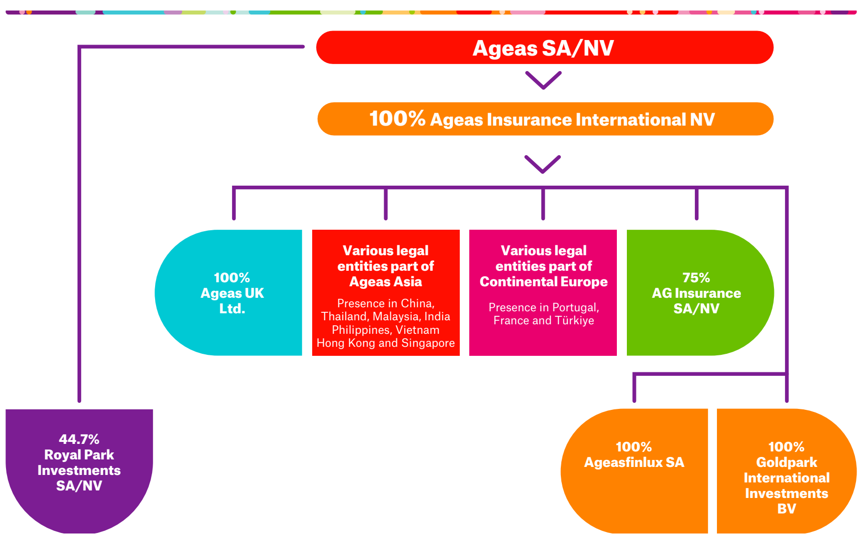
Ageas shares are listed on the regulated market of Euronext Brussels. Ageas has a sponsored ADR programme in the United States.

Known shareholders of Ageas SA/NV, based on the official notifications, as at 31 December 2022 are:

- Fosun 10.01%;
- BlackRock, Inc 6.59%;
- FPIM-SFPI .... 6.33%.

Ageas SA/NV and its subsidiaries hold 3.01% of its own shares. This interest is related to the FRESH (see note 18 Shareholders' equity and note 20 Subordinated liabilities), restricted share programmes and the share buy-back programmes (see note 18 Shareholders' equity).

The legal structure of Ageas is per 31 December 2022 as follows.



Fully consolidated entities of Ageas in Europe are in UK, Ageas UK Ltd. (100%), in Portugal, Millenniumbcp Ageas (51%), Médis (100%), Ageas Portugal Vida (100%) and Ageas Portugal Seguros (100%) and in France, Ageas France (100%)[3]. 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/quarterly-results.

3 *Ageas France is accounted for under IFRS 5 as "held for sale". See note 3.*

2

Summary of accounting policies

The Ageas Consolidated Financial Statements over the annual reporting period 2022 ('consolidated financial statements'), including all the notes, comply with the International Financial Reporting Standards (IFRS) required on 1 January 2022, as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union (EU).

The Board of Directors of Ageas released these consolidated financial statements for issue on 28 March 2023.

2.1 Basis of accounting

The accounting policies applied in these consolidated financial statements are consistent with those applied for the year ended on 31 December 2021, except for the changes listed in section 2.2 below.

These consolidated financial statements are prepared on a going concern basis and are presented in rounded millions of euros, the functional currency of the parent company of Ageas, unless indicated otherwise.

Assets and liabilities recorded in the consolidated statement of financial position of Ageas usually have a duration of more than 12 months, except for cash and cash equivalents, reinsurance and other receivables, accrued interest and other assets, Non-life insurance contract liabilities, some borrowings like repurchase agreements, accrued interest and other liabilities and current tax assets and liabilities.

The most significant IFRS standards applied for the measurement of the assets and liabilities are:

- IAS 1 for presentation of financial statements;
- IAS 16 for property, plant and equipment;
- IAS 19 for employee benefits;
- 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 39 for financial instruments – recognition and measurement;
- IAS 40 for investment property;
- IFRS 3 for business combinations;
- IFRS 4 for insurance contracts;
- IFRS 7 for disclosures of financial instruments;
- IFRS 8 for operating segments;
- 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; and
- IFRS 16 for leases.

2.2 Changes in accounting policies

Ageas applied as from 1 January 2022 the requirements in IAS 29 'Financial reporting in hyperinflationary economies' to the financial statements of its Turkish associates 'Aksigorta' and 'AgeSA'. Further information in this respect is included in section 2.7 below.

2.2.1 Current-year changes in IFRS standards

New or revised IFRS standards, interpretations, and amendments to IFRS standards and interpretations, that became effective for annual reporting periods starting on 1 January 2022, and that have been endorsed by the EU, did not have a significant impact to the accounting policies applied by Ageas and to its consolidated statement of financial position and its income statement during 2022.

As a direct consequence of the Covid pandemic, the IASB issued in May 2020 amendments to IFRS 16 'Covid-19 related rent concessions'. The amendments provide a practical expedient not to assess whether Covid-19 related rent concessions, that reduce lease payments due on or before 30 June 2021, are a lease modification. In March 2021, the IASB prolonged the practical expedient included in these amendments to lease payments due on or before 30 June 2022. Because Ageas did not benefit from Covid-19 related rent concessions, that would result in a lease modification, the amendments had no impact on the present consolidated statement of financial position and income statement of Ageas.

To meet regulatory and market requirements, the interest rate benchmarks that are used as reference rates in the financial market to determine interest rates and payment obligations, are undergoing in-depth reforms and transitions. As a result of this reform, some benchmarks such as Eonia and Libor are to be discontinued and replaced by new interest rate benchmarks.

These consolidated financial statements on 31 December 2022 include a notional amount of hedging relationships linked to the EURIBOR for EUR 632 million and a principal amount of subordinated liabilities with a floating coupon rate linked to the EURIBOR for EUR 210 million. The EURIBOR has been successfully reformed to a hybrid methodology in 2019 and is expected to remain in place for the foreseeable future. Therefore, the two amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 'Interest Rate Benchmark Reform' issued by the IASB in September 2019 and in August 2020 had no impact on the present consolidated statement of financial position and income statement of Ageas.

Ageas continues to monitor the developments regarding the interest rate benchmark reform. Because the EURIBOR may be discontinued one day, clauses are introduced in new contracts to ensure the continuity of those contracts in case of discontinuation of the EURIBOR.

In addition to the amendments above, following new or revised IFRS standards, interpretations, and amendments became effective for annual reporting periods starting on 1 January 2022 or later. None of those amendments had a significant impact on the present consolidated statement of financial position and income statement of Ageas:

- Amendments to IAS 16 'Property, plant and equipment – proceeds before intended use';
- Amendments to IAS 37 'Onerous contracts – cost of fulfilling a contract';
- Amendments to IFRS 3 'References to the Conceptual Framework'; and
- Annual improvements to IFRS standards (2018-2020 cycle): amendments to IFRS 1 'First-time adoption of IFRS standards', amendments to IFRS 9 'Financial instruments', amendments to illustrative examples accompanying IFRS 16 'Leases' and amendments to IAS 41 'Agriculture'.

2.2.2 Upcoming changes in IFRS Standards

The following new or revised IFRS standards, interpretations, and amendments to IFRS standards and interpretations will become effective for annual reporting periods starting on 1 January 2023 or later.

Ageas has not early adopted any IFRS standard, interpretation or amendment that has been issued by the IASB but that is not yet effective or has not yet been endorsed by the EU.

A. Extension of the temporary exemption from applying IFRS 9 – Amendments to IFRS 4

The IASB issued IFRS 9 'Financial instruments' in July 2014 and the EU endorsed IFRS 9 in November 2016. Although IFRS 9 applies for annual reporting periods starting on or after 1 January 2018, Ageas continues to apply IAS 39 'Financial instruments – recognition and measurement'. Ageas will apply IFRS 9 for the first time as from 1 January 2023. The reasons behind this derogation are explained below.

Ageas continues to apply IAS 39 because it is permitted to do so by amendments to IFRS 4. The IASB initially issued amendments in this respect in September 2016 (which have been endorsed by the EU in November 2017) and re-confirmed in June 2020 that insurers can apply both IFRS 9 'Financial instruments' and IFRS 17 'Insurance contracts' together for the first time by issuing amendments to IFRS 4 'Extension of the temporary exemption from applying IFRS 9'. The EU endorsed these amendments in December 2020.

The amendments to IFRS 4 foresee in two options to minimise the effect of the different effective dates of IFRS 9 (2018) and IFRS 17 (2023). These options are the 'overlay approach' and the 'temporary exemption from applying IFRS 9'.

The temporary exemption from applying IFRS 9 is an optional temporary exemption from applying IFRS 9 no later than reporting periods starting on or after 1 January 2023, for entities whose activities are predominantly connected with issuing contracts that are in the scope of IFRS 4 'Insurance contracts'. Ageas performed such a predominance analysis at the reference date of 31 December 2015 and concluded that it was eligible to apply the temporary exemption from applying IFRS 9. This means that:

- The carrying amount of Ageas's liabilities arising from contracts within the scope of IFRS 4 was significant compared to the total carrying amount of all the liabilities of Ageas; and
- The percentage of the total carrying amount of Ageas's liabilities connected with insurance relative to the total carrying amount of all the liabilities of Ageas was greater than 90 per cent.

No reassessment of this predominance analysis has been performed at a subsequent date, because there were no substantial changes in the business of Ageas that would require such a reassessment.

Because Ageas is eligible to apply the temporary exemption from applying IFRS 9, Ageas decided to do so and decided to align the effective dates of IFRS 9 and IFRS 17. To make the consolidate financial statements of Ageas more comparable to those of companies that already apply IFRS 9, Ageas discloses the following information on fair value and credit risk exposure of its consolidated entities.

	Fair Value at 31 December 2022		Fair Value at 31 December 2021		Amount of change in fair value in 2022	
Fair value of financial assets (in Euro million)	Do meet SPPI-test	Do not meet SPPI-test	Do meet SPPI-test	Do not meet SPPI-test	Do meet SPPI-test	Do not meet SPPI-test
Cash and cash equivalents	1,125	27	1,900	38	(775)	(11)
Debt securities, incl. structured notes	42,685	21	55,905	127	(13,220)	(106)
Equity securities and other investments		4,213		5,669		(1,456)
Derivatives held for trading		126		6		120
Derivatives for hedging purposes		110		34		76
Loans	13,391	293	15,155	297	(1,764)	(4)
Investments related to unit linked		15,795		18,899		(3,104)
Other receivables	678		802		(124)	

Gross carrying amount applying IAS 39 for financial assets that meet the SPPI test as per 31 December 2022	At an amount equal to 12-month ECL	Loss allowance is measured At an amount equal to lifetime ECL: Significantly increased credit risk since initial recognition but not credit-impaired	Credit-impaired at the reporting date but not purchased or originated credit-impaired	Trade & other receivables measured in accordance with IFRS 9 §5.5.15	Purchased or originated credit-impaired financial assets
AAA	5,769				
AA	23,022				
A	10,921				
BBB	11,865				
Total investment grade	**51,577**				
Below investment grade	347	66	20		
Unrated	6,515	6	16	730	19
Total	**58,439**	**72**	**36**	**730**	**19**

Gross carrying amount applying IAS 39 for financial assets that meet the SPPI test as per 31 December 2021	At an amount equal to 12-month ECL	Loss allowance is measured At an amount equal to lifetime ECL: Significantly increased credit risk since initial recognition but not credit-impaired	Credit-impaired at the reporting date but not purchased or originated credit-impaired	Trade & other receivables measured in accordance with IFRS 9 §5.5.15	Purchased or originated credit-impaired financial assets
AAA	5,289				
AA	30,991				
A	13,749				
BBB	14,565				
Total investment grade	**64,594**				
Below investment grade	296	78	26		
Unrated	4,832	4	18	952	26
Total	**69,722**	**82**	**44**	**952**	**26**

Gross carrying amount applying IAS 39 and fair value for financial assets that meet the SPPI test and that do not have a low credit risk as per 31 December 2022	
Gross carrying amount applying IAS 39	1,428
Fair value	1,401
Difference	**27**

IAS 28 'Investments in associates and joint ventures' requires an entity to apply uniform accounting policies when using the equity method. Ageas has temporarily derogated from this rule for its associate Maybank Ageas Holdings Berhad. This associate applies IFRS 9 since 2018, while Ageas applied the temporary exemption from applying IFRS 9 over the same reporting periods. This derogation from applying uniform accounting policies is permitted by paragraph 39I of the amendments to IFRS 4 on 'Extension of the temporary exemption from applying IFRS 9'. The financial statements of Maybank Ageas Holdings Berhad can be found on following website: (https://myetiqa.com/who-we-are/financial-statements/).

B. IFRS 9 'Financial instruments'

Presentation of comparative information

Ageas will apply both IFRS 9 'Financial instruments' and IFRS 17 'Insurance contracts' (see below) for the first time as from the annual reporting period starting on 1 January 2023.

IFRS 17 requires an entity to restate information in respect of the annual reporting period 2022 in its financial statements for the annual reporting period ending on 31 December 2023.

In view of the requirement under IFRS 17, Ageas decided to also restate the comparative information on financial instruments for the annual reporting period 2022. In presenting comparative information on financial instruments, Ageas will apply the requirements in IFRS 9 on 'classification & 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 have been endorsed by the EU in September 2022.

Main changes brought by IFRS 9
Compared to IAS 39, the main changes brought by IFRS 9 relate to:
- The classification (and resulting measurement) of financial assets; and
- The application of the expected credit loss model.

Financial assets – classification & measurement
The classification and measurement categories for financial instruments under IAS 39 (i.e. 'held-to-maturity', 'loans and receivables', 'available-for-sale', 'held-for-trading' or financial assets designated at fair value through profit or loss) 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). The classification, and resulting measurement, of financial instruments under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Ageas determined that the largest part of its investments in debt instruments will be measured at fair value through other comprehensive income after their initial recognition. This follows from the analysis that these investments pass the 'solely payments of principal and interest' test and because those investments are held within the 'hold to collect and sell' business model. The 'hold to collect and sell' business model reflects the fact that those financial assets are held to back liabilities from (re)insurance contracts and investment contracts with discretionary participation features (see section C. 'IFRS 17 'Insurance contracts' below).

Equity instruments are always measured at fair value under IFRS 9. For the largest part of its investments in equity instruments, Ageas intends to apply the irrevocable election in IFRS 9 to present subsequent changes in their fair value in other comprehensive income (rather than in the income statement). On the date of derecognition of investments in equity instruments, for which Ageas elected to present subsequent changes in their fair value in other comprehensive income, Ageas intends to reclassify the unrealised gains or losses that were previously recognised in other comprehensive income from other comprehensive income to retained earnings.

Financial assets – loss allowance for expected credit losses
IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward looking 'expected credit loss' model. The new expected credit loss model applies to investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income, to lease receivables, trade receivables and contract assets. Investments in equity instruments are out of scope of the expected credit loss model.

IFRS 9 requires an entity to recognise a loss allowance at an amount equal to 12-month expected credit losses for investments in debt instruments for which the credit risk has not increased significantly since their initial recognition (i.e. classified in Stage 1). 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), Ageas will recognise a loss allowance at an amount equal to lifetime expected credit losses.

Financial liabilities
The adoption of IFRS 9 will not have a significant impact on the measurement and classification of Ageas's financial liabilities.

Hedge accounting
As from the annual reporting period starting on 1 January 2023, Ageas intends to also adopt the requirements on hedge accounting in IFRS 9. This is not expected to result in a significant impact compared to the current application of the hedge accounting requirements in IAS 39.

Impact assessment
The estimated impact of the adoption of IFRS 9 by the subsidiaries of Ageas at the transition date (i.e. 1 January 2022) is clarified below in section D. 'Estimated impact of the adoption of IFRS 9 & IFRS 17 on 1 January 2022'.

C. IFRS 17 'Insurance contracts'

The IASB issued IFRS 17 'Insurance contracts' in May 2017 and amended IFRS 17 in June 2020. IFRS 17 will replace IFRS 4 for annual reporting periods starting on 1 January 2023, which is also the date as from when Ageas will apply IFRS 17.

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 requirement in IFRS 17 for groups of insurance contracts with direct participating 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 intends to apply this carve-out for a limited set of insurance contracts with direct participation features, to align with local market practice.

Scope

IFRS 17 'Insurance contracts' applies to :

- Insurance contracts, including reinsurance contracts issued;
- Reinsurance contracts held; and
- Investment contracts with discretionary participation features issued. These are in the scope of IFRS 17 only if the issuer also issues insurance contracts.

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

Separating components from an insurance contract

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 (IFRS 17 provides the criteria to determine when a non-insurance component is distinct from the host contract); and
- Promises to transfer distinct goods or services other than insurance contract services to a policyholder.

Separated embedded derivatives and distinct investment components are accounted for as if they were stand-alone financial instruments.

After the above steps, 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'.

Level of aggregation

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. 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, Ageas further divides portfolios of insurance contracts 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 at initial recognition, if any;
- A group of insurance contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any; and
- A group of the remaining insurance contracts, if any.

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.

Recognition

Ageas recognises groups of insurance contracts and reinsurance contracts issued (other than investment contracts with discretionary participation features and reinsurance contracts held) on its consolidated statement of financial position from the earliest of:

- The beginning of their coverage period;
- 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 discretionary participation features on its consolidated statement of financial position when Ageas becomes party to the contract.

Measurement approaches

Ageas measures groups of insurance contracts using 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 – initial measurement
Under the General Measurement Model, groups of insurance contracts are measured on initial recognition as the total of:
- The present value of their estimated future cash flows;
- An explicit risk adjustment for non-financial risk; and
- The contractual service margin (CSM), unless the contract is onerous.

The sum of the present value of the estimates of future cash flows and the risk adjustment for non-financial risk is referred to as the fulfilment cash flows of the group of contracts.

The estimates of future cash flows included in the measurement of a group of contracts are determined by the guidance in IFRS 17 on contract boundaries. For some product groups, the guidance on contract boundaries under IFRS 17 differs from the current practice under IFRS 4 or the (shorter) contract boundaries applicable under Solvency II.

The cash flow and valuation modelling methodology used under IFRS 17 is similar to the models Ageas uses under Solvency II. For the products in scope of the General Measurement Model, 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 financial 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 methods and processes used for the projection and valuation of cash flows are overseen and validated by the Model Control Board of Ageas. 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.

The subsidiaries of Ageas will determine the present value of the estimates of future cash flows using discount curves that are determined using a top-down methodology, aligning to the methodology used under Solvency II pillar 2.

The risk adjustment for non-financial risk reflects the compensation that Ageas requires for bearing uncertainty about the amount and timing of the cash flows of the group of insurance contracts that arise from non-financial risk. It covers insurance risk and other non-financial risks, such as lapse and expense risk.

The subsidiaries of Ageas will calculate the risk adjustment for non-financial risk using a confidence level approach, targeting the 75th percentile. No group diversification effects are applied. Subject to appropriate management level approval, the risk adjustment should include an allowance to adequately reflect emerging risks and uncertainties.

The contractual service margin (CSM) represents the unearned profit on a group of insurance contracts. As a direct consequence of the recognition of a contractual service margin, any day one gains in the fulfilment cash flows are deferred. Ageas will recognise the unearned profit on a group of insurance contracts in its consolidated income statement over the period that it provides insurance contract services. Weighted coverage units will be used for multi-cover insurance products, when relevant to have a result profile in line with the nature of the contract. Otherwise, the most relevant single coverage unit will be used.

The contractual service margin of a group of insurance contracts can never be negative. In such a situation, the group of insurance contracts is onerous (i.e. being in a loss position), and any loss is immediately recognised in the income statement.

General Measurement Model – subsequent measurement
The carrying amount of a group of insurance contracts at a reporting date is the sum of the liability for remaining coverage, including any contractual service margin or loss component, and the liability for incurred claims.

The fulfilment cash flows are remeasured at every reporting period using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risks.

In remeasuring the fulfilment cash flows of the liability for remaining coverage in subsequent reporting periods, certain changes in the fulfilment cash flows are adjusted against the contractual service margin and will therefore be recognised in the income statement over the remaining period during which Ageas provides insurance contract services. Interest for the passage of time is accreted on the contractual service margin, using discount rates at initial recognition of the contracts.

Premium Allocation Approach
IFRS 17 permits an entity to measure groups of insurance contracts that meet specific conditions, such as insurance contracts that have a coverage period of one year or less, applying the simplified Premium Allocation Approach (instead of the General Measurement Model).

In applying the Premium Allocation Approach, Ageas intends to recognise any insurance acquisition cash flows as an expense when it incurs those costs, provided that the initial coverage period at the initial recognition date of the groups of insurance contracts is no more than one year.

Applying the Premium Allocation Approach, the liability for remaining coverage is initially recognised as the premiums received at initial recognition, if any. Subsequently, the carrying amount of the liability for remaining coverage is measured as the carrying amount at the start of the reporting period, plus the premiums received in the period minus the amount recognised as insurance revenue for coverage provided in that period, and minus any investment component paid or transferred to the liability for incurred claims.

If at any time before and during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, then Ageas recognises a loss in the income statement and increases the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage.

The carrying amount of the liability for incurred claims of a group of insurance contracts measured applying the Premium Allocation Approach includes the amount of the risk-adjusted discounted fulfilment cash flows, discounted at current rates, relating to the incurred claims and the expenses that have not yet been paid.

Ageas intends to apply the Premium Allocation Approach for the largest part of the eligible groups of contracts in its Non-life and its reinsurance business. Ageas intends to also apply the Premium Allocation Approach for a limited set of eligible contracts in its Life business, for which the risks can be repriced on an annual basis.

Variable Fee Approach

IFRS 17 requires an entity to measure groups of insurance contracts with direct participation features applying the Variable Fee Approach (instead of the General Measurement Model).

The General Measurement Model and the Variable Fee Approach measure the fulfilment cash flows in the same way. There is however a difference in the measurement of the contractual service margin. On initial recognition of a group of insurance contracts with direct participation features, there is no difference between the contractual service margin determined applying the General Measurement Model or the Variable Fee Approach. In subsequent reporting periods, the contractual service margin of a group of insurance contracts with direct participation features, that is measured applying the Variable Fee Approach, is adjusted with the changes in discount rates and other financial variables (in the General Measurement Model such changes are reported in the statement of comprehensive income).

The Variable Fee Approach cannot be applied to groups of Life insurance contracts with fully discretionary profit sharing and to groups of reinsurance contracts (both reinsurance contracts held and issued).

Modification and derecognition

If the terms of an insurance contract are modified in a substantive way, Ageas derecognises the initial contract and recognises the modified contract as a new contract, based on specific criteria.

IFRS 17 requires that an insurance contract is derecognised when it is extinguished.

Recognition and presentation in the statement of financial position

Ageas will present separately in its consolidated statement of financial position the carrying amount of portfolios of:

- 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.

Recognition and presentation in the income statement

In its consolidated income statement, Ageas will present insurance service results (comprising insurance revenue less insurance service expenses) separately from insurance finance income and expenses. The presentation of insurance revenue and insurance service expenses is based on the concept of insurance contract services provided during the reporting period.

Investment components, which are amounts that the policyholder will always receive, regardless of whether an insured event happens, will not be presented in the consolidated income statement but will be recognised directly in the consolidated statement of financial position. To determine whether an insurance contract includes an investment component, Ageas assesses at inception of the contract whether 'a payment would occur in all circumstances'. To include 'all circumstances' in this assessment, all possible events that terminate the contract and trigger a possible payment to a policyholder are considered. These possible events are contract cancellation by the policyholder, maturity and all insured events (e.g. death or survival).

Insurance finance income and expenses

Under IFRS 17, the fulfilment cash flows and the contractual service margin are reported on a discounted basis, reflecting the timing of the cash flows. IFRS 17 permits an entity to present the effects of changes in discount rates and other financial variables either in the income statement or partly in the income statement and partly in other comprehensive income, depending on the entity's accounting policy choice. Ageas intends to disaggregate the effects of changes in discount rates between the income statement and other comprehensive income for the largest part of its insurance portfolios.

Under the General Measurement Model, disaggregation means presenting in the income statement an amount determined by a systematic allocation of the expected total finance income or expenses over the duration of the group of insurance contracts. On derecognition of the group, amounts remaining in other comprehensive income are reclassified to the income statement.

Under the Variable Fee Approach, only where the entity 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. On derecognition, the amounts previously recognised in other comprehensive income remain there.

Impact assessment

The estimated impact of the adoption of IFRS 17 by the subsidiaries of Ageas at the transition date (i.e. 1 January 2022) is clarified in section D. below.

D. Estimated impact of the adoption of IFRS 9 & IFRS 17 on 1 January 2022

All subsidiaries of Ageas have materially finalised their opening balance sheet under IFRS 9 and IFRS 17 on 1 January 2022 and perform parallel runs for the annual reporting period 2022. While the implementation preparations within the Asian and Turkish associates of Ageas started later (following local regulation and guidelines), the most significant associates are progressing well to comply with the effective date of 1 January 2023.

Ageas gave careful consideration to the disclosure requirements in IAS 8 ‘Accounting policies, changes in accounting estimates and errors’ (to disclose known or reasonably estimable information relevant to assess the possible impact that the application of a new IFRS standard will have on the entity’s financial statements in the period of initial application) and to the ESMA Public Statement on ‘Transparency on implementation of IFRS 17 insurance contracts’, considering the implementation status within its subsidiaries and associates.

The paragraphs below clarify the impact of the adoption of IFRS 9 & IFRS 17 by the subsidiaries of Ageas at the transition date (i.e. 1 January 2022).

Although Ageas acknowledges that presenting quantitative information on its subsidiaries only provides a partial view of the estimated consolidated impact of adopting IFRS 9 & IFRS 17, it concluded that presenting quantitative information on the implementation of IFRS 9 & IFRS 17 by its associates would currently not be in line with the disclosure requirements in IAS 8. Ageas intends to present the impact of adopting IFRS 9 & IFRS 17 at the transition date by both its subsidiaries and its associates during a separate investor relations presentation mid-2023.

Ageas does also not present estimates of the impacts on 30 June 2022 or on 31 December 2022, as these estimates are currently not yet reasonably reliable or known. The impacts on the consolidated statement of financial position and on the consolidated income statement at those dates will be presented in the interim financial statements or the consolidated financial statements of 2023.

Compared to the amounts recognised in the consolidated statement of financial position of Ageas on 1 January 2022 applying the standards IAS 39 & IFRS 4, the adoption of IFRS 9 & IFRS 17 within the subsidiaries of Ageas resulted in:
- An increase in the total assets;
- An increase in the total liabilities; and
- A decrease in total equity.

The main impacts of the adoption of IFRS 9 & IFRS 17 on the consolidated statement of financial position of Ageas on 1 January 2022 (also referred to as ‘opening balance sheet’) are further clarified below.

Estimated impact on assets

The increase in total assets mainly relates to the application of the requirements in IFRS 9 on classification & measurement. Compared to IAS 39, a larger part of Ageas's investments in financial instruments is measured at fair value under IFRS 9.

Under IAS 39, Ageas classified a part of its investments in debt instruments as ‘held-to-maturity’ or ‘loans and receivables’ and consequently measured those investments at amortised cost. Following the outcome of the business model assessment under IFRS 9, and because those instruments pass the ‘solely payments of principal and interest’ test, a large part of these investments is measured at fair value through other comprehensive income under IFRS 9. At the transition date, the cumulative unrealised gain or loss since the initial recognition date of those investments has been recognised in other comprehensive income.

A part of Ageas's investments in debt instruments, mainly investments in unquoted investment funds or exchange traded funds, do not pass the ‘solely payments of principal and interest’ test under IFRS 9. At the transition date, Ageas has mandatorily reclassified and measured those investments at fair value through profit or loss, while those investments were measured at amortised cost or at fair value through other comprehensive income under IAS 39. Furthermore, Ageas designated at the transition date some investments in debt instruments, that cover unit-linked contracts, as measured at fair value through profit or loss, because such designation reduces measurement inconsistencies or accounting mismatches with the measurement of the corresponding insurance or investment contract liabilities.

The adoption of the 'expected credit loss' model in IFRS 9 resulted, at the transition date, in the recognition of a loss allowance for expected credit losses on Ageas's investments in debt instruments that is marginally higher than the amount of impairments that Ageas recognised under IAS 39 for the same instruments. This follows from the fact that the majority of Ageas's 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 recognises a loss allowance for expected credit losses at an amount equal to 12-month expected credit losses.

Under IAS 39, Ageas classified the largest part of its investments in equity instruments as 'available-for-sale' and consequently measured those investments at fair value through other comprehensive income. Adopting IFRS 9, Ageas decided to continue to measure the largest part of its investments in equity instruments at fair value through other comprehensive income, by applying the irrevocable election in IFRS 9 to present subsequent changes in the fair value of those investments in equity instruments in other comprehensive income.

As investments in equity instruments are out of scope of the 'expected credit loss model' in IFRS 9, and the requirements in IFRS 9 are to be applied retrospectively, the main transition impact relates to the derecognition of the impairments that Ageas recognised on those investments under IAS 39. At the transition date, this had a positive impact on total equity (EUR 0.3 billion).

Under IAS 39, policyholder loans were recognised as financial assets. In line with the requirements in IFRS 17, Ageas included the policyholder loans in the measurement of the insurance contract liabilities at the transition date.

The adoption of IFRS 17 resulted in the derecognition of any amounts that were recognised under IFRS 4 for deferred acquisition costs (DAC) and value of business acquired (VOBA):

- The amounts relating to DAC (EUR 0.4 billion) have been derecognised at the transition date to IFRS 17, reflecting the accounting policy choice of Ageas to expense insurance acquisition costs as incurred in its Non-life business measured applying the Premium Allocation Approach;
- The amounts relating to VOBA (EUR 0.0 billion) have been derecognised because they are included in the measurement of the insurance contract liabilities under IFRS 17.

Estimated impact on liabilities

The adoption of IFRS 9 did not result in any reclassification of Ageas's financial liabilities.

The increase in total liabilities mainly relates to the remeasurement of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features, applying the current value accounting model requirements in IFRS 17.

At the transition date, Ageas identified, recognised and measured each group of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features retrospectively (also referred to as the 'full retrospective approach'), as if the requirements of IFRS 17 applied to those groups of contracts since their initial recognition. This includes the identification, measurement and recognition of any (asset for) insurance acquisition cash flows.

In some situations, Ageas was not able to measure a group of insurance contracts at the transition date applying the full retrospective approach. This was the case whereas:

- 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 only available at a higher or at different levels of aggregation than the requirement on grouping of contracts under IFRS 17;
- The information in the existing reporting systems did not permit Ageas to appropriately estimate the movement of the contractual service margin before the transition date. These movements had an impact on the contractual service margin at the transition date.

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

For groups of insurance contracts in its Non-life business, Ageas applied the full retrospective approach to measure the liability for remaining coverage of those groups of insurance contracts. The liability for incurred claims of those groups of insurance contracts has been measured applying the full retrospective approach for the most recent accident years and applying the modified retrospective approach for claims prior to 2016.

For groups of insurance contracts in its Life business, Ageas applied the following transition measurement approaches:

- Groups of Life insurance contracts that were issued in 2018 or later have generally been measured applying the full retrospective approach;
- Groups of Life insurance contracts that were issued before 2018 have been measured applying the fair value approach; and
- Groups of Life insurance contracts with direct participation features have been measured applying the modified retrospective approach.

For the groups of insurance contracts that have been measured applying the modified retrospective approach, Ageas estimated the future cash flows at the date of initial recognition of the group of insurance contracts as the 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 simplification was applied to the estimates of the risk adjustment for non-financial risk, which have been estimated at the transition date and have been 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.

For the groups of insurance contracts that have been measured applying the fair value approach, Ageas determined the contractual service margin at the transition date as the difference between the fair value of the group of insurance contracts at that date and the fulfilment cash flows of the same group measured applying the requirements in IFRS 17 at that date.

In determining the fair value of a group of insurance contracts, Ageas applied the requirements in IFRS 13 'Fair value measurement', with the following considerations:

- Assumptions about expected future cash flows and risk allowances are adjusted to the view of the market participant, in line with the requirements in IFRS 13;
- Discount rates used in measuring the cash flows assume a market consistent remuneration for the cost of capital and are adjusted to reflect the risk of non-performance by Ageas, as issuer of the contracts; and
- The cash flows are adjusted to reflect profit margins that a market participant would require for accepting the obligations under the group of contracts and include the non-directly attributable costs.

The results of the calculated fair value have been compared against commonly used market metrics to provide additional comfort.

In determining the fulfilment cash flows of a group of insurance contracts that has been measured at the transition date applying the fair value approach, Ageas estimated the fulfilment cash flows prospectively and discounted those fulfilment cash flows using the applicable discount rates at the transition date. Furthermore, Ageas grouped contracts from multiple annual cohorts into a single unit of account for measurement purposes, as its reporting systems did not have reasonable and supportable information to provide the required information by groups of contracts that include only insurance contracts issued within one year.

Estimated impact on shareholders' equity

In analysing the decrease in shareholders' equity at the transition date, a distinction should be made between the impact of the adoption of IFRS 9 & IFRS 17 on shareholders' equity excluding other comprehensive income and on other comprehensive income:

- The adoption of IFRS 9 & IFRS 17 by the subsidiaries of Ageas resulted in a non-significant net decrease of shareholders' equity excluding other comprehensive income. This decrease mainly relates to the derecognition of any amounts that were recognised under IFRS 4 for deferred acquisition costs and value of business acquired, partly compensated by the derecognition of impairments that Ageas recognised under IAS 39 for its investments in equity instruments.
- The adoption of IFRS 9 & IFRS 17 by the subsidiaries of Ageas resulted in a material net decrease of other comprehensive income measured in shareholders' equity. This is the part of equity that relates to unrealised gains or losses on investments in financial instruments and on (re)insurance contract liabilities. The decrease of other comprehensive income mainly relates to the remeasurement of (re)insurance contracts at the transition date. The increase in other comprehensive income reflects the remeasurement of financial instruments at the transition date following their classification under IFRS 9, net of the derecognition of shadow accounting under IFRS 4.

The table below includes the main estimated impacts of the adoption of IFRS 9 & IFRS 17 on 1 January 2022 (in rounded billions of euros):

		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
IFRS4/IAS39 as previously reported	**IFRS 17/IFRS 9 restated**					
Cash and cash equivalents	Cash and cash equivalents	1.9	0.2			2.1
Financial investments (incl. loans)	Financial investments (incl. loans)	74.4	0.7		(0.5)	74.6
Investments related to UL contracts	UL Financial investments	18.9	2.3			21.2
Investment property	Investment property	3.1	0.1			3.2
Reinsurance and other receivables		2.1			(1.3)	0.8
	Reinsurance contract assets				0.8	0.8
Current tax assets	Current tax assets	0.1				0.1
Equity-accounted investments	Equity-accounted investments	5.3				5.3
Property and equipment	Property and equipment	1.8				1.8
Goodwill and other intangible assets	Goodwill and other intangible assets	1.3				1.3
Deferred tax assets	Deferred tax assets	0.1	(1.5)		2.4	1.0
Accrued interests and other assets	Accrued interests and other assets	2.1			(0.4)	1.7
Total assets	**Total assets**	**111.1**	**1.8**		**1.0**	**113.9**
Current tax liabilities	Current tax liabilities					
Liabilities related to UL contracts	Investment contract liabilities	18.9	0.1	3.1	(7.7)	14.4
	Life/Non-Life insurance liabilities				80.4	80.4
Liabilities from Life/Non-life insurance contracts		36.5		(3.1)	(33.4)	
Liabilities from Life investments contracts		30.6			(30.6)	
Borrowings	Borrowings	3.6			(0.1)	3.5
Provisions	Provisions	0.2				0.2
Deferred tax liabilities	Deferred tax liabilities	1.0	(0.6)			0.4
Subordinated liabilities	Subordinated liabilities	2.7				2.7
RPN(I)	RPN(I)	0.5				0.5
Accrued interest and other liabilities	Accrued interest and other liabilities	2.9			(0.6)	2.3
Total liabilities	**Total liabilities**	**96.9**	**(0.5)**		**8.0**	**104.4**
Share capital and retained earnings	Share capital and retained earnings	8.1	0.3		(0.5)	7.9
Other comprehensive income	Other comprehensive income	3.8	1.4		(4.7)	0.5
Non-controlling interest	Non-controlling interest	2.3	0.6		(1.8)	1.1
Total equity	**Total equity**	**14.2**	**2.3**		**(7.0)**	**9.5**
Total liabilities and equity	**Total liabilities and equity**	**111.1**	**1.8**		**1.0**	**113.9**

The line 'Life/Non-Life insurance liabilities' above includes an amount of contractual service margin of EUR 3 billion.

E. Other changes in IFRS standards

Ageas does not expect that other forthcoming new or revised IFRS standards, interpretations and amendments to IFRS standards and interpretations, that will become effective for annual reporting periods on 1 January 2023 or later, will affect the consolidated statement of financial position and income statement of Ageas in a significant way. Not all those changes have already been endorsed by the EU.

Those changes relate to:
- Amendments to IAS 1 'Classification of liabilities as current or non-current';
- Amendments to IAS 1 'Non-current liabilities with covenants';
- Amendments to IAS 1 and IFRS practice statement 2 'Disclosure of accounting policies';
- Amendments to IAS 8 'Definition of accounting estimates';
- Amendments to IAS 12 'Deferred tax related to assets and liabilities arising from a single transaction'; and
- Amendments to IFRS 16 'Lease liability in a sale and leaseback'.

2.3 Accounting estimates

In preparing these consolidated financial statements, Ageas used 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 information that is reasonably available at the time these consolidated financial statements are prepared. Each judgement, estimate and assumption carry 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 future reporting period(s). Potential revisions are recognised in the reporting period in which the judgement, estimate or assumption is revised.

Ageas is not active in Ukraine and Russia, but carefully monitors the evolving geo-political tensions in those regions, in particular with regards to indirect macro-economic effects such as the future evolution of interest rates and inflation in the markets in which Ageas is active. Ageas currently assesses the direct impact to be immaterial. If applicable, estimates and assumptions have been reviewed and are reflected in the amounts reported in these consolidated financial statements.

The table below includes the estimation uncertainty of the key judgements, estimates and assumptions:

Assets

Financial instruments
- Level 2:
  - The valuation model
  - Inactive markets
- Level 3:
  - The valuation model
  - The use of non-market observable input
  - Inactive markets

Investment property:
- The determination of the useful life and residual value

Loans:
- The valuation model
- The use of parameters such as credit spread, maturity and interest rates

Associates:
- Uncertainties depending on the asset mix, operations and market developments
- Application of the requirements for hyperinflationary economies and measurement unit

Goodwill impairment testing:
- The valuation model
- Financial and economic variables
- The discount rate used
- The inherent risk premium of the entity

Other intangible assets:
- The determination of the useful life and residual value

Deferred tax assets:
- Interpretation of tax regulations
- Amount and timing of future taxable income

Liabilities

Insurance contract liabilities
- Life:
  - The actuarial assumptions used
  - The yield curve used in the Liability Adequacy Test (LAT-test)
  - The reinvestment profile of the investment portfolio, credit risk spread and maturity, when determining the shadow LAT adjustment
- Non-life:
  - The expected ultimate cost of claims reported at the reporting period
  - The expected ultimate cost of claims incurred but not yet reported at the reporting date
  - Claim adjustment expenses

Pension obligations:
- The actuarial assumptions used
- The discount rate used
- Inflation and salary evolutions

Provisions:
- The likelihood of a present obligation due to events in the past
- The calculation of the best estimated amount

Deferred tax liabilities:
- Interpretation of tax regulations
- Amount and timing of future taxable income

The notes to these consolidated financial statements provide a detailed description on the application of these estimates and assumptions and their effect on the reported figures. Note 4 ‘Risk Management’ of these consolidated financial statements describes the way Ageas mitigates the various risks of the insurance operations.

2.4
Events after the reporting period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period 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 end of the reporting period, 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 reporting period, that do not result in an adjustment of the amounts recognised in these consolidated financial statements, but of which the nature and an estimate of its financial effect, or a statement that such an estimate cannot be made, is disclosed.

An overview of events after the reporting period is included in note 44 ‘Events after the date of the statement of financial position’ of these consolidated financial statements.

2.5
Information on operating segments

Ageas's reportable operating segments are primarily based on geographical areas. The regional split is based on the fact that the activities in these areas share the same nature and economic characteristics and are managed as such.

End 2020, Ageas appointed Filip Coremans as Managing Director Asia and Antonio Cano as Managing Director Europe. This change in responsibilities of two members of the Executive Committee of Ageas reflects the growing importance of a dedicated regional focus and the specific challenges and opportunities between the regions. As a direct consequence of this change, with effect of its new three-year strategic plan ‘Impact 24’, Ageas decided to change its reportable operating segments by including the previous operating segment ‘United Kingdom’ into the previous operating segment ‘Continental Europe’, which has been renamed to ‘Europe’. This change applies for the annual reporting period starting on 1 January 2022.

Ageas's operating segments are:
- Belgium;
- Europe (excluding Belgium);
- Asia;
- Reinsurance; and
- General account.

Activities not related to insurance and group elimination differences are reported separately from the core insurance activities. Those non-insurance activities are reported in the operating segment ‘General account’, which includes items such as group financing and other holding activities. In addition, the operating segment ‘General account’ also includes 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. Eliminations are reported separately.

2.6
Consolidation principles

These consolidated financial statements include the financial statements of Ageas SA/NV (the parent company) and its subsidiaries.

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 at 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 the fair value at acquisition date and any resulting gain or loss is recognised in profit or loss.

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 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) are eliminated.

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.

Associates

Investments in associates are those investments over which Ageas has a significant influence, i.e. power to participate in the financial and operating policy decisions of the investee, but is not in control or joint control.

Investments in associates are accounted for using the equity method. At initial recognition, the investment is recognised at cost, which includes transaction costs. At subsequent measurement, the share of net income for the year is recognised in the income statement as 'Share in result of associates'. Ageas's share in the associate's post-acquisition direct equity movements is recognised in other comprehensive income. Distributions received from associates reduce the carrying amount of the investment.

Interests in joint ventures, whereby joint control of an arrangement provides Ageas rights to the net assets of that joint arrangement, are accounted for as investments in associates.

Gains on transactions between Ageas and investments accounted for using the equity method are eliminated to the extent of Ageas's 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.

For long-term interests (e.g. inter-company loans) in an associate or joint venture that form part of the net investment in the associate or joint venture, but to which the equity method is not applied, IAS 39 is applied.

Disposal of subsidiaries, businesses and non-current assets

A non-current asset (or disposal group, such as subsidiaries) 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 12 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.

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and their fair value less costs to sell. Furthermore, following characteristic apply:

- 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 4, financial assets within the scope of IAS 39, deferred tax assets within the scope of IAS 12 and assets arising from employee benefits within the scope of IAS 19;
- Current assets and all liabilities are measured applying the applicable IFRS standard;
- Not depreciated or amortised; and
- Presented separately in the consolidated 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 a 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 other comprehensive income (for example, foreign translation adjustments and available-for-sale reserves).

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 income statement.

2.7 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 on monetary items are translated at the exchange rate at the end of the reporting period. Foreign exchange differences arising from monetary assets that are classified as available-for-sale are recognised in the income statement for the exchange differences resulting from changes in amortised cost. Other fair value gains and losses on those instruments are recognised in other comprehensive income.

Non-monetary items that are measured in terms of historical cost are translated using the historical exchange rate that existed at the date of the transaction. Non-monetary items that are measured at fair value are translated using the exchange rate at the date that the fair value is determined. The resulting exchange gains or losses are recognised in the income statement as change in foreign currency differences, except for those non-monetary items whose fair value change is recorded in other comprehensive income.

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 is 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 other comprehensive income. On disposal of a foreign entity, previously recognised exchange differences are recycled and are reclassified from other comprehensive income 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 entity, are recognised in other comprehensive income, 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 other comprehensive income until disposal of the foreign entity. At that moment, a recycling to the income statement takes place.

Hyperinflation in Türkiye

Considering the criteria in IAS 29 ‘Financial reporting in hyperinflationary economies’, the Turkish economy is considered to be hyperinflationary on 31 December 2022. At that date, the three-year cumulative inflation in Türkiye exceeds 100% (156%), based on the consumer price index published by the Turkish Statistical Institute. Consequently, Ageas applied in these consolidated financial statements for the first time the requirements in IAS 29 to the financial statements of its Turkish associates ‘Aksigorta’ and ‘AgeSA’.

An entity that is required to apply IAS 29 shall state the financial statements that are prepared in the currency of a hyperinflationary economy in the terms of their purchasing power at the reporting date. To calculate its share in the net assets and results of these Turkish 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 published by the Turkish Statistical Institute. In a second step, the adjusted financial statements are translated into euros at the exchange rate on 31 December 2022.

In line with the requirements in IAS 21 ‘The effects of changes in foreign exchange rates’, the comparative information for the annual reporting period 2021 has not been restated. Ageas recognised the impact resulting from the first-time application of IAS 29 in its consolidated equity on 1 January 2022.

The application of IAS 29 resulted in an impact of EUR (27) million in the consolidated income statement and an impact of EUR 149 million in the consolidated statement of changes in equity over the annual reporting period 2022.

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 2022	31 December 2021	2022	2021
Pound sterling	0.89	0.84	0.85	0.86
US dollar	1.07	1.13	1.05	1.18
Hong Kong dollar	8.32	8.83	8.24	9.19
Türkiye lira	19.96	15.23	17.42	10.51
China yuan renminbi	7.36	7.19	7.08	7.63
Indian Rupee	88.17	84.23	82.68	87.44
Malaysia ringgit	4.70	4.72	4.63	4.90
Philippines Peso	59.32	57.76	57.31	58.30
Thailand baht	36.84	37.65	36.85	37.84
Vietnamese Dong	25,182	25,989	24,613	27,105

2.8 Measurement bases used in preparing the financial statements

The classification and measurement of assets and liabilities is based on the nature of the underlying transactions.

2.8.1 Financial assets

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 classifies and measures financial assets and financial liabilities based on the nature of the underlying transactions.

Classification of financial assets

Management determines the appropriate classification of its financial instruments at the acquisition date:

- Held-to-maturity: includes debt securities with a fixed maturity of which management has both the intention and the ability to hold the instruments to maturity;
- Loans and receivables: includes debt securities with fixed or determinable payments that are not quoted in an active market and that, upon initial recognition, are not designated as held-for-trading nor as available-for-sale;
- Available-for-sale: includes securities to be held for an indefinite period of time, which may be sold in response to needs for liquidity or to changes in interest rates, exchange rates or equity prices; and
- Financial assets held at fair value through profit or loss:
  - Held-for-trading: includes securities that are acquired for the purpose of generating short-term profits;
  - Financial securities designated at fair value through profit or loss.

Measurement of financial assets

Held-to-maturity investments are measured at amortised cost less any allowances for impairment. Any difference with the fair value at initial recognition, resulting from transaction costs, initial premiums or discounts, is amortised over the life of the investment using the effective interest method. If a held-to-maturity asset is determined to be impaired, the allowance for impairment is recognised in the income statement.

Loans and receivables are measured at amortised cost less any allowances for impairment. At initial recognition, loans and receivables are measured at fair value including transaction costs and initial premiums or discounts. Amortised cost is calculated using the effective interest rate method (EIR), taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is recognised in the income statement. Gains and losses are recognised in the income statement when the investments are derecognised or impaired.

For floating rate instruments, the cash flows are periodically re-estimated to reflect movements in market interest rates. If the floating rate instrument is initially recognised at an amount (almost) equal to the principal repayable, the re-estimation has no significant effect on the carrying amount of the instrument and there will be no adjustment to the received interest, reported on an accrual basis. However, if a floating rate instrument is acquired at a significant premium or discount, this premium or discount is amortised over the expected life of the instrument and is included in the calculation of the EIR. The carrying amount is recalculated each period by computing the present value of estimated future cash flows at the actual effective interest rate. Any adjustments are recognised in profit or loss.

Held-for-trading investments, derivatives and assets designated as held at fair value through profit or loss are measured at fair value. Changes in their fair value are recognised in the income statement. The (realised and unrealised) results are included in 'Result on sales and revaluations'. Interest received (paid) on assets (liabilities) held for trading is reported as interest income (expense). Dividends received are included in 'Interest, dividend and other investment income'.

The majority of Ageas's financial investments (being bonds and equity instruments) are classified as available-for-sale and are measured at fair value. Changes in their fair value are recognised in other comprehensive income until the investment is sold. At the moment of disposal, the accumulated fair value changes in other comprehensive income are recycled through the income statement. Revenue on available-for-sale debt securities is recognised using the effective interest method. Periodic amortisation and impairment losses are recognised in the income statement and dividends are recognised as income upon receipt.

For those insurance portfolios, where unrealised gains and losses on bonds have a direct impact on the measurement of the insurance liabilities, Ageas applies shadow accounting in accordance with IFRS 4. This means that the changes in the unrealised gains and losses will affect the measurement of the insurance liabilities, implying why those changes will therefore not be part of equity.

Impairment of financial assets
A financial asset (or group of financial assets) classified as either available-for-sale, loans and receivables or held-to-maturity is deemed to be impaired if:
- There is objective evidence of impairment as a result of one or more loss events or triggers (e.g. significant financial difficulty of the issuer) that have occurred after the initial recognition of the asset; and
- That loss event (or events) has (or have) an impact on the estimated future cash flows of the financial asset (or group of financial assets) that can be reliably estimated.

For equity securities, the triggers used to determine whether there is objective evidence of impairment include, amongst others, the consideration whether the fair value is significantly (25%) below the carrying value or has been below the carrying value for a prolonged period (365 consecutive days) on the date of the statement of financial position.

Depending on the type of financial asset, the recoverable amount can be estimated as follows:
- The fair value using an observable market price;
- The fair value using non-observable market-data; or
- Based on the fair value of the collateral.

If an available-for-sale asset is determined to be impaired, the allowance for impairment is recognised in the income statement. For impaired available-for-sale assets, unrealised losses previously recognised in other comprehensive income are transferred to the income statement when the impairment occurs.

If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase objectively relates to an event occurring after the recognition of any allowance for impairment in the income statement, the allowance for impairment is reversed, with the amount of the reversal being recognised in the income statement. Further positive revaluations of debt instruments classified as available-for-sale is recognised in other comprehensive income.

Impairments on an equity instrument classified as available-for-sale are not reversed through the income statement; increases in their fair value after impairment are recognised directly in other comprehensive income.

Trade and settlement date
All purchases and sales of financial assets requiring delivery within the timeframe established by regulation or market convention are recognised on the trade date, which is the date when Ageas becomes a party to the contractual provisions of the financial assets.

Forward purchases and sales, other than those requiring delivery within the timeframe established by regulation or market convention, are recognised as derivative forward transactions until settlement.

Classification and measurement of financial liabilities
The IFRS classification of financial liabilities determines their measurement and recognition in the income statement as follows:
- Financial liabilities at fair value through profit or loss include:
  i) Financial liabilities held-for-trading, including derivative instruments that do not qualify for hedge accounting; and
  ii) Financial liabilities that Ageas has irrevocably designated at initial recognition or at first-time adoption of IFRS as held at fair value through profit or loss, because:
    - The host contract includes an embedded derivative that would otherwise require separation;
    - It eliminates or significantly reduces a measurement or recognition inconsistency (‘accounting mismatch’); or
    - It relates to a group of financial assets and/or liabilities that are managed and of which the performance is evaluated on a fair value basis.
- Other financial liabilities are initially recognised at fair value less transaction costs. Subsequently, other financial liabilities are measured at amortised cost using the effective interest method, with the periodic amortisation recorded in the income statement.

Subordinated liabilities and borrowings are initially recognised at fair value less transaction costs and are subsequently measured at amortised cost using the effective interest method, with the periodic amortisation recorded in the income statement.

Transaction costs
Transaction costs on financial instruments refer to the incremental costs directly attributable to the acquisition or disposal of a financial asset or liability. They include fees and commissions paid to agents, advisers, brokers and dealers, levies imposed by regulatory agencies and securities exchanges as well as transfer taxes and duties.

Those transaction costs are included in the initial measurement of the financial asset or liability, except if the financial asset or liability is measured at fair value through profit or loss, in which case transaction costs are directly expensed.

Fair value of financial instruments
The fair value is the amount for which an asset or granted equity instrument could be exchanged and a liability could be settled between knowledgeable, willing parties in an arm's length transaction.

The fair value presented is the 'clean' fair value, which is the total fair value or 'dirty' fair value less interest accruals and transaction costs. Accrued interest are classified separately.

The fair value of a liability or own equity instrument reflects the effect of non-performance risk. Non-performance risk includes, but may not be limited to, the entity's own risk.

An asset or liability is initially measured at fair value. If the transaction price differs from this fair value, the resulting gain or loss is recognised in the income statement unless IFRS specify otherwise.

The basic principles used for estimating fair value are as follows:
- Maximisation of the use or relevant observable (market) inputs and minimisation of the use of unobservable inputs (such as internal estimates and assumptions);
- Only change in estimating techniques if an improvement can be demonstrated or if a change is necessary because of changes in market conditions or in the availability of information.

In determining the fair value, following hierarchy for determining and disclosing the fair value is used, in the order listed:
- Level 1: fair values measured using (unadjusted) quoted prices in an active market for identical assets or liabilities, which means that quoted prices are readily available and reflect actual and regularly occurring market transactions on an arm's length basis;
- Level 2: fair values measured using inputs other than quoted prices included in level 1 that are observable (in the market), either directly (i.e. prices) or indirectly (i.e. derived from prices, such as interest or exchange rates);
- Level 3: fair values measured using inputs that are not (completely) based on observable data;
- Cost.

The level in the fair value hierarchy within which the fair value measurement is categorised is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Level 2 and level 3 fair value measurements usually require the use of valuation techniques.

A financial instrument is regarded as quoted in an active market when quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices reflect actual and regularly occurring market transactions on an arm's length basis. When a financial instrument is traded in an active and liquid market, its quoted market price or value provides the best evidence of its fair value. No adjustment is made to the fair value of large holdings of shares, unless there is a binding agreement to sell the shares at a price other than the market price. The appropriate quoted market price for an asset held or a liability to be issued is the current bid price, and for an asset to be acquired or a liability held, the ask price. Mid-market prices are used as a basis for establishing the fair value of assets and liabilities with offsetting market risks.

If there is a significant decrease in the volume or level of activity for the asset or liability, the transactions or quoted prices are reviewed and an alternative valuation technique or multiple valuation techniques (e.g. present value techniques) may be applied.

If no active market price is available, fair values are estimated using present value or other valuation techniques based on market observable inputs, existing at the reporting date. Inputs can be either directly observable (i.e. prices) or indirectly observable (i.e. derived from prices, such as interest or exchange rates). When Ageas uses quantitative unobservable inputs in measuring fair value, those are not developed in house.

If there is a valuation technique commonly used by market participants to price an instrument and that valuation technique 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, discounted cash flows (including option-pricing models) and current replacement cost. An acceptable valuation technique incorporates all factors that market participants would consider when setting a price, and should be consistent with accepted economic methodologies for pricing financial instruments. These techniques are subject to inherent limitations, such as estimation of the appropriate risk-adjusted discount rate. The use of 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, the fair value of those positions varies in proportion to changes of these cash flows. The changes in value of the level 3 instruments are accounted for in other comprehensive income.

Methods and assumptions used in determining the fair value are largely dependent on whether the instrument is traded on financial markets and on the information that is available to be incorporated into the valuation models. A summary of different financial instrument types along with their fair value treatment is included below:

i) Fair values for securities classified at available-for-sale or at fair value through profit or loss are determined using market prices from active markets. If no quoted prices are available from an active market, the fair value is determined using discounted cash flow models. 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. Discount factors are based on a swap curve plus a spread reflecting the risk characteristics of the instrument. Fair values for securities classified at held-to-maturity (only necessary for disclosures) are determined in the same way.

ii) Fair values for derivative financial instruments are obtained from active markets or are determined using, as appropriate, discounted cash flow models and option pricing models. Quoted market prices provide the most reliable fair value for derivatives traded on a recognised exchange. Fair value of derivatives not traded on a recognised exchange 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. Common valuation methodologies for an interest rate swap incorporate a comparison of the yield of the swap with the current swap yield curve. 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.

iii) Fair values for unquoted private equity investments are estimated using applicable market multiples (e.g. price/earnings or price/cash flow ratios), refined to reflect the specific circumstances of the issuer. Level 3 valuations for private equities and venture capital make use of fair values disclosed in the audited financial statements of the relevant participations.

iv) Fair values for borrowings and issued subordinated loans are determined using discounted cash flow models based upon Ageas's current incremental lending rates for similar type of borrowing. For variable-rate loans that re-price frequently and have no significant change in credit risk, fair values are approximated by the carrying amount. Option-pricing models are used for valuing caps and prepayment options embedded in loans that have been separated in accordance with IFRS.

v) Fair values for off-balance sheet commitments or guarantees are based on fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the counterparties' credit standings.

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. Quotations are available from various sources for many financial instruments traded regularly in the OTC market. Those sources include the financial press, various publications and financial reporting services, and also individual market makers.

The fair value methodology applied for the measurement of financial instruments, as described above, did not change as a result of the Covid-19 pandemic. If applicable, additional uncertainties related to the Covid-19 pandemic have been incorporated in the fair value measurement.

More detailed information on the application of these valuation methods and assumptions is included in the applicable notes of these Ageas Consolidated Financial Statements.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset resulting in the net amount being reported on the statement of financial position if there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.8.2 Derivatives and financial instruments used for hedging

Derivatives are financial instruments such as swaps, forward and future contracts, and options (both written and purchased). The value of these financial instruments changes in response to changes in various underlying variables. Derivatives require little or no net initial investment and are settled at a future date.

All derivatives are recognised on the statement of financial position at fair value on the trade date. A distinction is made between:

- Derivatives held for trading; and
- Derivatives for hedging purposes.

Embedded derivatives

Financial assets or liabilities can include embedded derivatives. Such financial instruments are often referred to as hybrid financial instruments. Hybrid financial instruments include reverse convertible bonds (bonds whose repayment may take the form of equities) or bonds with indexed interest payments.

If the host contract is measured at fair value through profit or loss or if the characteristics and risks of the embedded derivative are closely related to those of the host contract, the embedded derivative is not separated, and the hybrid financial instrument is measured as one instrument.

If the host contract is not measured at fair value through profit or loss and the characteristics and risks of the embedded derivative are not closely related to those of the host contract, the embedded derivative should be separated from the host contract and measured at fair value as a stand-alone derivative. Changes in the fair value are recorded in the income statement. The host contract is accounted for and measured applying the rules of the relevant category of the financial instrument.

Embedded derivatives requiring separation are reported as hedging derivatives or derivatives held for trading as appropriate.

Hedging
On the date Ageas enters into a derivative contract and decides to designate the contract for hedging purposes, this contract is designated as either:
- A fair value hedge: a hedge of the fair value of a recognised asset or liability;
- A hedge of a net investment in a foreign entity; or
- A cash flow hedge: a hedge of future cash flows attributable to a recognised asset or liability or a highly probable forecast transaction.

Hedges of firm commitments are fair value hedges, except for hedges of the foreign exchange risk of a firm commitment, which are accounted for as cash flow hedges.

In the context of hedge accounting, the following documentation is prepared:
- At the start of the transaction, the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions, are documented;
- Both at the start of the hedge and on an ongoing basis, the assessment of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items is documented.

Assets, liabilities, firm commitments or highly probable forecast transactions that involve a party external to Ageas are designated as hedged items. A hedged item can also be a particular risk that is a portion of the total risk of the hedged item.

Changes in the fair value of a hedged item that is attributable to the hedged risk and changes in the fair value of the hedging instrument in a fair value hedge are recognised in the income statement. The change in the fair value of interest-bearing derivative instruments is presented separately from interest accruals.

If the hedge no longer meets the criteria for hedge accounting, or is otherwise discontinued, the adjustment to the carrying amount of a hedged interest-bearing financial instrument that results from hedge accounting is amortised using the new effective interest rate calculated on the hedge discontinuance date.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income under the caption 'Unrealised gains and losses'. The amount in other comprehensive income is reclassified to the income statement when the hedged item affects the income statement. Any hedge ineffectiveness is immediately recognised in the income statement.

When the hedge of a forecast transaction or firm commitment results in the recognition of a non-financial asset or of a non-financial liability, the gains and losses previously deferred in other comprehensive income are transferred from other comprehensive income and are included in the initial measurement of that non-financial asset or liability. Otherwise, amounts deferred in other comprehensive income are transferred to the income statement and are classified as profit or loss in the periods during which the hedged firm commitment or forecast transaction affects the income statement.

The above also applies if the hedge no longer meets the criteria for hedge accounting, or is otherwise discontinued, but the hedged forecast transaction or firm commitment are still expected to occur. If the hedged forecast transaction or firm commitment are no longer expected to occur, the amounts deferred in other comprehensive income are directly transferred to the income statement.

2.8.3 Sale and repurchase agreements and lending / borrowing securities

Securities subject to a commitment to repurchase them ('repo') are not derecognised from the statement of financial position as substantially all the risk and rewards of ownership remain within Ageas. The proceeds received from such sales are neutralised by recognising a corresponding financial liability, classified under 'Borrowings'.

Securities purchased under agreements to resell ('reverse repos') are not recognised on the statement of financial position. The right to receive cash from a counterparty is recorded under 'Loans'. The difference between the sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

Securities lent to counterparties remain on the statement of financial position. Similarly, securities borrowed are not recognised on the statement of financial position. If borrowed securities are sold to third parties, the proceeds from the sale and a liability for the obligation to return the collateral are recorded. The obligation to return the collateral is measured at fair value through profit or loss. Cash advanced or received related to securities borrowing or lending transactions is recorded under 'Loans' or under 'Borrowings'.

2.8.4 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, freely available balances with (central) banks and other financial instruments with less than three months maturity from the date of acquisition.

Cash flow statement
Ageas reports cash flows from operating activities using the indirect method, whereby the net result is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

The interest received and interest paid are presented as cash flows from operating activities in the cash flow statement. Dividends received are classified as cash flows from operating activities. Dividends paid are classified as cash flows from financing activities.

2.8.5 Investment property and property held for own use

Classification and measurement of property held for own use
Property classified as held for own use mainly includes:
- Office buildings that Ageas occupies; and
- Commercial buildings that are used to operate a business.

All real estate held for own use and fixed assets are measured at cost less accumulated depreciation (except for land that is not depreciated) and any accumulated impairment losses. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction.

The depreciation of buildings is calculated using the straight-line method to write down the cost of such assets to their residual values over their estimated useful lives. The useful life of IT, office and equipment is determined individually for each asset. The useful life of the buildings is determined for each significant part separately (component approach) and is reviewed at each year-end. The real estate is therefore split into the following components: structure, closing, techniques and equipment, heavy finishing and light finishing.

The maximum useful life of components is as following:

Structure	50 years for offices and retail 70 years for residential
Closing	30 years for offices and retail 40 years for residential
Techniques and equipment	15 years for car parks 20 years for offices 25 years for retail 40 years for residential
Heavy finishing	15 years for car parks 20 years for offices 25 years for retail 40 years for residential
Light finishing	10 years for offices, retail and residential

- Land has an unlimited useful life and is therefore not depreciated.
- As a general rule, 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 real estate or fixed assets beyond their original use are capitalised and subsequently depreciated.
- Borrowing costs to finance the construction of property, plant and equipment are treated in the same way as borrowing costs on investment property.

Classification and measurement of investment property
Investment properties are those properties that Ageas holds to earn rental income or for capital appreciation. Ageas may also use certain investment properties 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, plant and equipment. 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.

For reasons of comparability, Ageas applies the cost model for both investment property and for property held for own use. After initial recognition, all property is measured at its cost less any accumulated depreciation (using a straight-line method) and any accumulated impairment losses. As a result, changes in the fair value of the property are neither recognised in the income statement (except for impairment losses) nor in other comprehensive income.

The residual value and the useful life of investment property is determined for each significant part separately (component approach) and is reviewed at each year-end. For investment property, the same maximal useful life of components is applied as for property held for own use.
Ageas rents 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 as revenue and expenses respectively, by reference to the stage of completion of the contract activity at the date of the statement of financial position. 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.

Impairment of property held for own use and investment property
As for other non-financial assets, property held for own use and investment property is impaired when its carrying amount exceeds the recoverable amount.

The recoverable amount is measured as the higher of either 'fair value less costs to sell' or 'value in use':
- The '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.
- The '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 any 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 any such indication exists (and only then), Ageas will reduce the carrying amount of the impaired asset to its estimated recoverable amount, and the amount of the change in the current year is recognised in the income statement.

After the recognition of an impairment, the depreciation for future periods is adjusted based on the revised carrying amount less its residual value over the assets remaining useful life. For property, the useful life of each significant part is determined separately and reviewed at year-end.

If in a subsequent period, the amount of the impairment on non-financial assets other than goodwill decreases, due to an event occurring after the write-down, the previously recorded impairment loss is reversed in the income statement. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Borrowing costs
Borrowing costs are generally expensed as incurred.

Borrowing costs that are directly attributable to the acquisition or construction of an asset are capitalised while the 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.

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.

For qualifying assets commencing on or before 1 January 2008, borrowing costs that were directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily took a substantial period of time to get ready for its intended use or sale) were expensed as incurred.

2.8.6 Goodwill and other intangible assets

Intangible assets
An intangible asset is an identifiable non-monetary asset and is recognised if, and only if, it will generate future economic benefits and if the cost of the asset can be measured reliably.

Intangible assets are recorded on the statement of financial position at cost less any accumulated amortisation and any accumulated impairment losses. The residual value and the useful life of intangible assets are reviewed at each year-end.

Intangible assets with definite 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.

Value of business acquired (VOBA)
Value of business acquired represents the difference between the fair value at acquisition date measured using the Ageas's accounting policies and the subsequent carrying value of a portfolio of insurance and investment contracts acquired in a business or portfolio acquisition.

VOBA is recognised as an intangible asset and is amortised over the income recognition period of the portfolio of contracts acquired. Each reporting date, VOBA is part of the liability adequacy test to assess whether the liabilities arising from insurance and investment contracts are adequate.

Internally generated intangible assets
Internally generated intangible assets are capitalised when Ageas 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.

Only intangible assets arising from development are capitalised. All other internally generated intangible assets are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

Software
Software for computer hardware that cannot operate without that specific software, such as the operating system, is an integral part of the related hardware and is treated as property, plant and equipment. If the software is not an integral part of the related hardware, the costs incurred during the development phase, for which Ageas can demonstrate all of the above-mentioned criteria, are capitalised as an intangible asset and are amortised over their estimated useful life using the straight-line method. In general, such software is amortised over a maximum of 5 years.

Other intangible assets with finite lives
Other intangible assets with finite lives, such as parking 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.

Car park concessions are recognised as intangible assets when Ageas has the right to charge for the usage of the concession infrastructure. The intangible asset received is measured at fair value at 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, the car park concessions are measured at cost less any 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. The impairment principles applied to car park concessions are the same as those applicable to investment properties.

Goodwill

Goodwill from business combinations from 1 January 2010
At initial recognition, goodwill is measured at cost, being the excess of the fair value of the consideration transferred over:
- Ageas's 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, goodwill is measured at cost less any accumulated impairment losses.

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.

Impairment of goodwill
Goodwill is an intangible asset with an indefinite life and, like all other intangible assets with indefinite lives, the carrying value of those intangible assets with indefinite life is assessed annually, or more frequently, if events or changes in circumstances indicate that such carrying value may not be recoverable. If such indication exists, the recoverable amount is determined for the cash-generating unit to which 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 other assets in the cash-generating unit pro-rata on the basis of the carrying amount of each asset in the cash generating unit. Previously recognised impairment losses relating to goodwill are not reversed.

2.8.7 Leased assets

Ageas as a lessor
Assets leased under an operating lease are recorded on the statement of financial position under 'investment property' (buildings) and 'property, plant and equipment' (equipment and motor vehicles). Those assets are recorded at cost less accumulated depreciation. Rental income, net of any incentives given to lessees, is recognised on a straight-line basis over the lease term. 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 also entered into finance lease transactions, in which substantially all the risks and rewards related to ownership of the leased assets, other than the legal title, are transferred to the lessee. Assets leased under a finance lease are presented 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 residual value guarantee. The difference between the asset and the present value of the receivable 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 as a lessee
Ageas leases land, buildings, equipment and motor vehicles. The lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

A single measurement model applies to assets leased under both operating and finance lease transactions, resulting in the recognition of a right-of-use asset and a lease liability.

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's incremental borrowing rate is applied. As incremental borrowing rate, Ageas applies 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.

The carrying amount of the lease liability subsequently increases to reflect interest on the lease liability and reduces to reflect the lease payments made. The lease liability is remeasured in order to reflect lease modifications or changes in the lease payments, including a change in an index or a rate used to determine those payments.

The interest on the lease liability in each period represents the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The interest on the lease liability is recognised in the income statement, together with the variable lease payments not included in the measurement of the lease liability in the period in which the event or condition that triggers those payments occurs.

The right-of-use asset is initially measured at cost and comprises the initial lease liability recognised, 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.

Subsequently, 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, a right-of-use asset is impaired when its carrying amount exceeds its recoverable amount. The depreciation of the right-of-use asset and recognition of any impairment loss is recognised in the income statement.

In case of remeasurement of the lease liability, to reflect lease modifications or changes in the lease payments, the right-of-use asset is adjusted for this remeasurement.

The measurement model above is not applied to leases of asset that are of low value to Ageas or to short-term leases, of which the lease term at commencement of the lease is 12 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

Lease payments are presented as cash flows from operating activities in the consolidated cash flow statement, as part of 'borrowings'.

2.8.8 Loans

Loans to banks, loans to governments and loans to customers include loans originated by Ageas by providing money directly to the borrower or to a sub-participation agent. Those loans are measured at amortised cost.

Debt securities acquired on the primary market directly from the issuer are recorded as loans, provided there is no active market for those securities.

Loans that are originated or purchased with the intent to be sold or securitised in the short-term are classified as assets held for trading.

Loans that are designated as held at fair value through profit or loss or available-for-sale are classified as such on initial recognition.

Loan commitments that allow for a drawdown of a loan within the timeframe generally established by regulation or convention in the marketplace are not recognised in the statement of financial position.

Incremental costs incurred and loan origination fees earned in securing a loan are deferred and amortised over the life of the loan, as an adjustment to the yield.

Impairments on loans

A credit risk for a specific loan impairment is established if there is objective evidence that Ageas will not be able to collect all amounts due in accordance with the contractual terms. The amount of the impairment is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows or, alternatively, the collateral value less costs to sell if the loan is secured.

An 'incurred but not reported' (IBNR) impairment on loans is recorded when there is objective evidence that incurred losses are present in components of the loan portfolio, without having specifically identified impaired loans. This impairment is estimated based upon historical patterns of losses in each component, reflecting the current economic climate in which the borrowers operate and taking into account the risk of difficulties in servicing external debt in some foreign countries based on an assessment of the political and economic situation.

Impairments are recorded as a decrease in the carrying value of 'loans to banks' and 'loans to customers'.

Impairments on loan commitments recorded off the statement of financial position are classified under 'provisions'.

When a specific loan is identified as uncollectible and all legal and procedural actions have been exhausted, the loan is written-off against the related charge for impairment; subsequent recoveries are credited to change in impairment in the income statement.

2.8.9 Reinsurance and other receivables

Reinsurance

Ageas assumes and/or cedes reinsurance in the normal course of business. Reinsurance receivables principally include balances due from both insurance and reinsurance companies for ceded insurance liabilities. Amounts recoverable from or due to reinsurers are estimated in a manner consistent with the amounts associated with the reinsured policies and in accordance with the reinsurance contract.

Reinsurance is presented on the statement of financial position on a gross basis, unless a right to offset exists.

Other receivables
Other receivables arising from the normal course of business and originated by Ageas are initially recorded at fair value and subsequently measured at amortised cost using the effective interest method, less impairments.

2.8.10 Deferred acquisition costs (DAC)

General
The costs of new and renewed insurance business, all of which vary with and primarily are related to the production of new business, are deferred and amortised, resulting in deferred acquisition costs (DAC). DAC principally includes commissions, underwriting, agency and policy issue expenses. The method for amortisation is based on expected earned premium or estimated gross profit margins. DAC are periodically reviewed to ensure their recoverability based on estimates of future profits of the underlying contracts.

Amortisation in proportion to anticipated premiums
For life insurance and investment products, both without Discretionary Participation Features, DAC is amortised in proportion to the anticipated premiums. Assumptions as to anticipated premiums are estimated at the date of policy issuance and are consistently applied during the life of the contracts. Deviations from estimated experience are reflected in the income statement in the period such deviations occur. For these contracts, DAC is generally amortised for the total life of the policy.

Amortisation in line with Estimated Gross Profit (EGP) margin
For life insurance and investment products, both with Discretionary Participation Features, DAC is amortised over the expected life of the contracts based on the present value of the estimated gross profit margin or profit amounts using the expected investment yield. Estimated gross profit margin includes anticipated premiums and investment result less benefits and administrative expenses, changes in the net level premium reserve and expected policyholder dividend, as appropriate. Deviations of actual results from estimated experience are reflected in the income statement in the period in which such deviations occur. DAC is adjusted for the amortisation effect of unrealised gains (losses) recorded in equity as if they were realised with the related adjustment to unrealised gains (losses) in equity.

Amortisation in line with earned premiums
For short duration contracts, DAC is amortised over the period in which the related premiums written are earned. Future investment income is considered (at a risk-free rate of return) in assessing the recoverability of DAC.

Amortisation in line with related revenues of service provided
Some investment contracts without Discretionary Participation Features issued by insurance entities involve both the origination of a financial instrument and the provision of investment management services. Where clearly identifiable, the incremental costs relating to the right to provide investment management services are recognised as an asset and are amortised as the related revenues are recognised. The related intangible asset is tested for recoverability at each reporting date. Fee charges for managing investments on these contracts are recognised as revenue as the services are provided.

2.8.11 Liabilities arising from (re)insurance and investment contracts
The liabilities arising from (re)insurance and investment contracts relate to:
- Insurance contracts;
- Reinsurance contracts;
- Investment contracts with Discretionary Participation Features (DPF); and
- Investment contracts without DPF.

Classification of contracts
Policyholder liabilities are classified based on the underlying insurance contract features and the specified risks of these contracts:
- Insurance contracts are those contracts in which Ageas has accepted significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Insurance risk is significant if, and only if, an insured event could cause an insurer to pay significant additional benefits in any scenario, excluding scenarios that lack commercial substance (i.e. have no discernible effect on the economics of the transaction). Insurance contracts can also transfer financial risk.
- Investment contracts (with or without DPF) are those contracts that transfer significant financial risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rates, credit rating or credit index or other variable, providing in the case of a non-financial variable that the variable is not specific to a party of the contract.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduced significantly during this period, unless all rights and obligations are extinguished or expired. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

Insurance contracts, reinsurance contracts and investment contracts with DPF are accounted for in accordance to IFRS 4. Investment contracts that do not transfer significant insurance risk are accounted for in accordance to IAS 39.

Life insurance

Future policy benefits
For Life insurance contracts, future policy benefit liabilities are calculated using a net level premium method (i.e. present value of future net cash flows) based on actuarial assumptions as determined by historical experience and industry standards.

Participating policies include any additional liabilities, reflecting any contractual dividends or other participation features. For some designated contracts, the future policy benefit liabilities have been remeasured to reflect current market interest rates.

The non-participating insurance and investment contracts are primarily unit-linked contracts where Ageas holds the investments on behalf of the policyholder and measures those investments at fair value. Treasury shares on behalf of policyholders are eliminated. Unit-linked contracts are a specific type of Life insurance contracts governed by Article 25 of EU Directive 2002/83/EC. The benefits of those contracts are linked to UCITS ('Undertakings for Collective Investment in Transferable Securities'), a share basket or a reference value, or to a combination of these values or units, as laid down in the contracts. The liabilities of unit-linked contracts are measured at unit value (i.e. fair value of the fund in which the unit-linked contracts are invested divided by the number of units of the fund), with changes in fair value recognised in the income statement. Fair value is never less than the amount payable on surrender (if applicable), discounted for the required notice period where applicable.

Certain contracts contain financial guarantees, which are also valued at fair value and are included in liabilities related to unit-linked contracts, with the change in the fair value recognised in the income statement. Insurance risks are taken into account based on the actuarial assumptions.

Deposits and withdrawals are recorded directly in the statement of financial position as adjustments to the liability, without affecting the income statement.

Minimum guaranteed returns
For Life insurance contracts with minimum guaranteed returns, the finance component is measured at amortised cost. Additional liabilities have been set up to reflect expected long-term interest rates. These additional liabilities are calculated as the difference between the present value and the carrying amount of the guaranteed amounts.

During the accumulation period, the liabilities relating to annuity policies are equal to accumulated policyholder balances. After the accumulation period, the liabilities are equal to the present value of expected future payments. Changes in mortality tables that occurred in previous years are fully reflected in these liabilities.

Discretionary Participation Features
Most Life insurance or investment contracts contain a guaranteed benefit. Some of those contracts may also contain a Discretionary Participation Feature (DPF). This feature entitles the holder of the contract to receive, as a supplement to guaranteed benefits, additional benefits and bonuses:
- That are likely to be a significant portion of the total contractual benefits;
- Whose amount or timing is contractually at the discretion of Ageas;
- That are contractually based on:
  - The performance of a specified pool of contracts or a specified type of contract;
  - Realised and/or unrealised investment returns on a specified pool of assets held by Ageas;
  - The profit or loss of Ageas, fund or other entity that issued the contract.

For Life insurance contracts and investment contracts with DPF, current policyholder benefits are accrued based on the contractual amount due based on statutory net income, restrictions and payment terms. The DPF component concerns a conditional promise related to unrealised gains and losses. This promise remains therefore part of the unrealised gains and losses as included in equity. Once the promise becomes unconditional, the related amount is transferred to 'Liabilities arising from Life insurance contracts'.

Investment contracts without DPF are initially recognised at fair value and are subsequently measured at amortised cost and reported as a deposit liability.

Embedded derivatives
Embedded derivatives not closely related to the host contracts are separated from the host contracts and measured at fair value through profit or loss. Actuarial assumptions are revised at each reporting date with the resulting impact recognised in the income statement.

Unbundling
The deposit component of an insurance contract is unbundled when both of the following conditions are met:
- The deposit component (including any embedded surrender options) can be measured separately (i.e. without taking into account the insurance component); and
- Ageas's accounting policies do not otherwise require the recognition of all obligations and rights arising from the deposit component.

Currently, Ageas has recognised all rights and obligations related to issued insurance contracts according to its accounting policies. As a result, Ageas has not recognised an unbundled deposit component in respect of its insurance contracts.

Non-life insurance

Claims
Claims and claim adjustment expenses are charged to the income statement as incurred. Unpaid claims and claim adjustment expenses include estimates for reported claims and provisions for claims incurred but not reported. The estimates for claims incurred but not reported are based on experience, current claim trends and the prevailing social, economic and legal environments. The liability for Non-life insurance claims and claim adjustment expenses is based on estimates of expected losses (after taking into account reimbursements, recoveries, salvage and subrogation), reflecting management's judgement on anticipated levels of inflation, claim handling costs, legal risks and trends in compensatory damage awards. Non-life liabilities for workers' compensation business are presented at their net present value. The liabilities established are adequate to cover the ultimate cost of claims and claim adjustment expenses. Resulting adjustments are recorded in the income statement.

Ageas does not discount its liabilities for claims other than claims with determinable and period payment terms.

Liability Adequacy Test
Ageas performs a Liability Adequacy Tests (LAT) at each reporting period to ensure that the reported insurance liabilities are adequate.

A separate test is performed for:
- Life liabilities and health similar-to-life liabilities, including annuities stemming from Non-life liabilities;
- (Unearned) premium reserves stemming from Non-life liabilities and health non-similar-to-life liabilities; and
- Claim provisions stemming from Non-life liabilities and health non-similar-to-life liabilities.

For the purpose of these LAT tests, Ageas considers a best estimate valuation, being the present value of all contractual cash flows, including related cash flows such as commissions and expenses. The contract boundaries of Solvency II are applied, but are limited in Non-life to the ones in scope of the IFRS reserves.

For Life insurance liabilities (and health similar-to-life liabilities including annuities stemming from Non-life), the LAT also includes cash flows resulting from embedded options and guarantees and investment income. Investment income is determined using the current book yield of the existing portfolio, based on the assumption that reinvestments after the maturity of the financial instruments will take place at a risk-free rate allowing a company specific volatility adjustment based on EIOPA methodology. For direct investments in real estate, the actual rental income up to the next contractual renewal period is taken into account.

For Non-life insurance liabilities, the present value of all cash flows is determined using a risk-free discount rate allowing a company specific volatility adjustment based on EIOPA methodology (after the last liquid point, the so-called Ultimate Forward Rate extrapolation is applied).

Any shortfall in the LAT is recognised immediately in the income statement, either as a DAC or VOBA -impairment or as a loss recognition. If, in a subsequent period, the shortfall decreases, the decrease in shortfall is reversed through profit or loss. A shortfall is defined as:
- A negative net present value of the future margin for Life contracts and health similar-to-life contracts, including annuities stemming from Non-life contracts; and
- The positive difference between the net present value of the cash flows and the corresponding IFRS reserves for Non-life contracts and health non-similar-to-life contracts.

The LAT tests take into account the effect of reinsurance and include, for direct investments in real estate, the actual rental income up to the next contractual renewal period. LAT tests are determined at legal entity level.

If a subsidiary's local LAT requirements are stricter than the ones above, local entities apply the local requirements.

Shadow accounting
In some of Ageas's businesses, the realisation of gains and losses has a direct impact on the measurement of the insurance liabilities and related deferred acquisition costs.

In some of these businesses, Ageas applies 'shadow accounting' to the changes in fair value of available-for-sale investments and of assets and liabilities that affect the measurement of the insurance liabilities. Shadow accounting means that unrealised gains or losses on the available-for-sale financial assets, which are recognised in other comprehensive income without affecting the income statement, affect the measurement of the insurance liabilities (or deferred acquisition costs or value of business acquired) in the same way as realised gains or losses would do.

As part of shadow accounting, some of Ageas's businesses extend the standard LAT with a shadow LAT test. Under the shadow LAT test, the amount of unrealised capital gains, recognised in other comprehensive income, in excess of the surplus resulting from the standard LAT, is recognised as a shadow liability.

The remaining unrealised changes in fair value of the available-for-sale financial assets (after application of shadow accounting), that are subject to discretionary participation features, are classified as a separate component of equity.

An additional Deferred Profit sharing Liability (DPL) is accrued based on a constructive obligation or on the amount legally or contractually required to be paid on differences between statutory and IFRS income and unrealised gains or losses recorded in equity.

Reinsurance

The accounting treatment of reinsurance contracts depends on whether significant insurance risk is transferred within the contract.

Reinsurance contracts that transfer significant insurance risk are accounted for according to insurance contracts.

Reinsurance contracts that do not transfer significant insurance risk are accounted for using the deposit method and are included in loans or borrowings as a financial asset or liability. Such financial asset or liability is recognised based on the consideration paid or received less any explicitly identified premiums or fees to be retained by the reinsured. Amounts received or paid under these contracts are accounted for as deposits using the effective interest method.

Deposits from reinsurers under ceded reinsurance, that transfer significant insurance risk, equal the amount due at the date of the statement of financial position.

Liabilities relating to ceded reinsurance business, that do not transfer significant insurance risk, may be considered to be financial liabilities and the liabilities are accounted for in the same way as other financial liabilities.

2.8.12 Debt certificates, subordinated liabilities and other borrowings

Debt certificates, subordinated liabilities and other borrowings are initially recognised at fair value including direct transaction costs incurred. Subsequently, they are measured at amortised cost, and any difference between net proceeds and the redemption value is recognised in the income statement over the period of the borrowing, using the effective interest method.

Debt that can be converted into a fixed number of Ageas's own shares is separated into two components on initial recognition:

- A liability instrument, determined by measuring the fair value of a similar liability (including any embedded non-equity derivative features) that do not have an associated equity component; and
- An equity instrument, of which the carrying amount represents the option to convert the instrument into common shares, determined by deducting the carrying amount of the financial liability from the amount of the compound instrument as a whole.

If Ageas redeems the debt certificates, subordinated liabilities and other borrowings, these are removed from the statement of financial position and the difference between the carrying amount of the liability and the consideration paid is included in the income statement.

2.8.13 Employee benefits

Pension liabilities

Ageas operates a number of defined benefit and defined contribution pension plans throughout its global activities, 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 defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependant on one or more factors such as age and years of service.

A defined contribution plan is a pension plan under which Ageas pays fixed contributions. However, under IAS 19, a defined contribution plan with a guaranteed return is treated as a defined benefit plan instead of a defined contribution plan due to the (legally determined) guaranteed return included in those plans.

For defined benefit plans, the pension costs and related pension assets or liabilities are estimated using the Projected Unit Credit method (PUC). 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 interest rates determined by reference to market yields on high quality corporate bonds, which have terms to maturity approximating the terms of the related liability.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on plan assets (excluding net interest), are recognised immediately in the statement of financial position through other comprehensive income 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 profit or loss on the earlier of:

- The date of the 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 item on the statement of financial position (such as investments or property, plant and equipment). If the assets meet the criteria, these assets are netted against the pension liability.

When the fair value of the plan assets is netted against the present value of the obligation of a defined benefit plan, 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').

Benefit plans that provide long-term service benefits, but that are not pension plans, are measured at present value, using the projected unit credit method.

Ageas's contributions to defined contribution pension plans are charged to the income statement in the year to which they relate, except for defined contribution plans with a guaranteed return, that follow the accounting treatment of a defined benefit plan.

Other post-retirement liabilities
Some of the Ageas companies provide 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 defined benefit pension plans. These liabilities are determined based on actuarial calculations.

Equity options and equity participation plans
Share options and restricted shares, both equity settled and cash settled plans, are granted 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 equity 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 liabilities 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.

Remeasured expenses 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 takes into account 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 the surplus to share premium. If for this purpose own shares have been repurchased, these will be eliminated from treasury stock.

Employee entitlements
Employee entitlements to annual leave and long-service leave are recognised when they accrue to employees. A provision is made 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.

2.8.14 Provisions and contingencies

Provisions
Provisions are liabilities involving uncertainties in the amount or timing of payment. Provisions are recognised 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 date of the statement of financial position. Provisions are established for certain guarantee contracts for which Ageas is responsible to pay upon default of payment. 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.

Contingencies
Contingencies are those uncertainties of which an amount cannot be reasonably estimated or when it is not probable that payment will be required to settle the obligation.

2.8.15 Equity components

Share capital and share issue costs
Incremental costs directly attributable to the issue of new shares or share options, other than on a business combination, are deducted from equity net of any related income taxes.

Treasury shares
When the parent company or its subsidiaries purchase Ageas share capital or obtain rights to purchase Ageas share capital, the consideration paid including any attributable transaction costs, net of income taxes, is shown as a deduction from equity.

Dividends paid 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. These shares are eliminated in calculating dividend, net profit and equity per share. The cost price of the shares is deducted from equity.

Compound financial instruments
Components of compound financial instruments (liability and equity parts) are classified in their respective area of the statement of financial position.

Other equity components
Other elements recorded in equity relate to:
- Direct equity movements of associates (see paragraph 2.6);
- Foreign currency (see paragraph 2.7);
- Available-for-sale investments (see paragraph 2.8.1);
- Cash flow hedges (see paragraph 2.8.2);
- Discretionary participation features (see paragraph 2.8.11);
- Actuarial gains and losses on defined benefit plans (see paragraph 2.8.13);
- Share options and restricted share plans (see paragraph 2.8.13); and
- Dividend, treasury shares and cancellation of shares.

2.8.16 Gross premium income

Short-duration versus long-duration contracts
A short-duration insurance contract is a contract that provides insurance protection for a fixed period of short duration and that enables the insurer to cancel the contract or to adjust the terms of the contract at the end of any contract period.

A long-duration contract is a contract that generally is not subject to unilateral changes in its terms, such as a non-cancellable or guaranteed renewable contract, and that requires the performance of various functions and services (including insurance protection) for an extended period.

Premium income when received
Premiums from Life insurance contracts and long-duration investment contracts with Discretionary Participation Features are recognised as revenue when due from the policyholder. Estimated future benefits and expenses are offset against such revenue in order to recognise profits over the estimated life of the policies. This matching is accomplished by the establishment of liabilities arising from insurance contracts and investment contracts with Discretionary Participation Features, and by the deferral and subsequent amortisation of upfront expenses such as policy acquisition costs.

Premium income when earned
For short-duration type contracts (principally in Non-life), premiums are recorded as written upon inception of the contract. Premiums are recognised in the income statement as earned on a pro-rata basis over the term of the related policy coverage. The unearned premium reserve represents the portion of the premiums written relating to the unexpired terms of the coverage.

2.8.17 Interest, dividend and other investment income
For all interest-bearing instruments (whether classified as held-to-maturity, available-for-sale, held at fair value through profit or loss, derivatives or other assets or liabilities), interest income and interest expense is recognised in the income statement on an accrual basis, using the effective interest method based on the actual purchase price including direct transaction costs. Interest income includes coupons earned on fixed and floating rate income instruments and the accretion or amortisation of the transaction costs, premium or discount.

Once a financial asset has been written down to its estimated recoverable amount, interest income is subsequently recognised based on the effective interest rate that was used to discount the future cash flows for the purpose of measuring the recoverable amount.

Dividends are recognised in the income statement when they are declared.

Ageas acts as a lessor under non-cancellable lease contracts that may contain renewal options for investment property and certain properties held for own use. Rental income and other income is recognised, 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.

2.8.18 Realised and unrealised gains and losses
For financial instruments classified as available-for-sale, realised gains or losses on sales and divestments represent the difference between the proceeds received and the initial book value of the asset sold, minus any impairment losses recognised in the income statement, and after adjustment for the impact of any hedge accounting. Realised gains and losses on sales are included in the income statement under 'Result on sales and revaluations'.

For financial instruments measured at fair value through profit or loss, the difference between the carrying value at the end of the current reporting period versus the previous reporting period is included in the income statement under 'Result on sales and revaluations'.

For derivatives, the difference between the carrying clean fair value (i.e. excluding the unrealised portion of the interest accruals) at the end of the current reporting period versus the previous reporting period is included in the income statement under 'Results on sales and revaluations'.

Upon derecognition or upon impairment of a financial asset, the unrealised gains and losses previously recognised directly in equity are recycled through the income statement.

2.8.19 Fee and commission income

Fees as integral part of effective interest rate
Fees that are an integral part of the effective interest rate of a financial instrument are generally treated as an adjustment to the effective interest rate. This is the case for origination fees, received as compensation for activities such as evaluating the borrower's financial condition, evaluating and recording guarantees, etc. and also for origination fees received on issuing financial liabilities measured at amortised cost. Both types of fees are deferred and are recognised as an adjustment to the effective interest rate of the underlying financial instrument, measured at amortised cost.

When the financial instrument is measured at fair value through profit or loss, the fees are recognised as revenue when the instrument is initially recognised.

Fees recognised as services are provided
Fees 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 time proportion basis over the commitment period.

Reinsurance commissions are recognised as earned, reinsurance participation features are recognised as revenue upon receipt.

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. Loan syndication fees are recognised as revenue when the syndication has been completed.

Fee from investment contracts
Revenues from investment contracts, of which the covered insurance risk is not significant, consist of fees for the coverage of insurance, administration fees and surrender charges. Fees are recognised as revenue as the services are provided. Expenses include mortality claims and interest credited.

2.8.20 Income tax

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 available for carry-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 tax treatment applied, 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.

Deferred tax
Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets 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 provided in full, using the statement of financial position liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements.

The rates enacted or substantively enacted at the date of the statement of financial position are used to determine the deferred taxes.

Deferred tax assets are recognised to the extent that it is probable that sufficient future taxable profit will be available to allow the benefit of part or the entire deferred tax asset to be utilised.

Deferred tax liabilities are provided 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.

Current and deferred tax related to fair value remeasurement of items in the statement of financial position which are charged or credited directly to equity (such as available-for-sale investments and cash-flow hedges) is also credited or charged directly to equity and is subsequently recognised in the income statement together with the deferred gain or loss.

2.8.21 Earnings per share

Basic earnings per share are calculated by dividing net result attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year, excluding the average number of ordinary shares purchased by Ageas and held as treasury shares.

For the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume 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 treated as 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 net result before discontinued operations by the weighted average number of ordinary shares in issue during the year, excluding the average number of ordinary shares purchased by Ageas and held as treasury shares.

3 Acquisitions, disposals and disposal group held for sale

The following significant acquisitions and disposals were made in 2022 and 2021. Details of acquisitions and disposals, if any, which took place after the date of the statement of financial position, are included in note 44 Events after the date of the statement of financial position.

3.1 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 50 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 82 million.

Milleniumbcp Ageas holds the majority of the shares in both companies. 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.

3.2 Acquisitions in 2021

AgeSA (formerly: AvivaSA) (Europe)

On 5 May 2021, Ageas announced that it had obtained all regulatory approvals and completed its acquisition from Aviva plc, a 40% stake in the Turkish listed life insurance and pensions company AgeSA. The cash consideration amounted to GBP 119 million (EUR 143 million including transaction costs). AgeSA is accounted for using the equity method.

AG Insurance (Belgium)

In 2021, AG Insurance increased its interest in CCN (Centre de Communication Nord, mixed redevelopment project in Brussels) from 5% to 50%. This associate is still accounted for using the equity method.

3.3
Disposals in 2021

Tesco Underwriting Ltd. (TU) (Europe)
On 14 October 2020, Ageas announced an agreement for Tesco Bank to buy Ageas's 50.1% stake in associate Tesco Underwriting Limited. Accordingly, the carrying amount of the associate was presented as held for sale in the 2020 financial statements. The sale was completed on 4 May 2021 for a cash consideration of GBP 112 million. The impact of the sale on the results of the first 6 months of 2021 was a profit of EUR 4.2 million. This gain is spread over across the income statement captions 'Interest, dividend and other investment income' and 'Results on sales and revaluations'.

AG Insurance (Belgium)
In 2021, Transimmo was fully consolidated by AG Insurance and was no longer accounted for using the equity method.

3.4
Assets and liabilities of acquisitions and disposals

The table below provides details of the assets and liabilities resulting from the acquisition or disposal of subsidiaries and/or equity accounted investments at the date of acquisition or disposal.

		2022		2021
	Acquisitions	Disposals	Acquisitions	Disposals
Assets and liabilities of acquisitions and disposals				
Cash and cash equivalents	81			
Financial investments	1,151			
Investment property	95		34	
Loans	50			
Investments related to unit-linked contracts	514			
Investments in associates				
including capital (re)payments	44	(95)	202	(171)
Reinsurance and other receivables	59			
Current and deferred tax assets	24			
Accrued interest and other assets	52			
Property, plant and equipment	433			
Goodwill and other intangible assets	318			
Borrowings	150			
Liabilities arising from insurance contracts	1,187			
Liabilities related to unit-linked contracts	514			
Current and deferred tax liabilities	115			
Accrued interest and other liabilities	69		2	
Non-controlling interests	74		1	
Other				(5)
Net assets acquired / Net assets disposed of	**712**	**(95)**	**233**	**(176)**
Result of disposal, gross		48		24
Result on discontinued operations, net of taxes		48		24
Cash used for acquisitions / received from disposals:				
Total purchase consideration / Proceeds from sale	(712)	143	(233)	200
Less: Cash and cash equivalents acquired / divested	81			
Less: Non-cash movement	143	(143)		
Cash used for acquisitions / received from disposals	**(488)**		**(233)**	**200**

3.5 Disposal group held for sale

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. This disposal meets the criteria of IFRS 5 to be classified as held for sale. The sale is expected to be completed in the course of 2023.

Consequently, the assets and liabilities at 31 December 2022 related to Ageas France (and its subsidiaries) were classified as a disposal group and are shown as “Assets held for sale” and “Liabilities related to assets held for sale” in the consolidated statement of financial position. The disposal group is reported in the segment ‘Europe’.

The carrying amounts of major assets and liabilities of Ageas France at 31 December 2022 are summarised as follows:
- Available for sale investments EUR 2.4 billion;
- Unit-linked investments EUR 1.5 billion;
- Insurance liabilities EUR 2.4 billion;
- Liabilities related to Unit linked products: EUR 1.5 billion.

There is also an intercompany subordinated liability of EUR 55 million on the balance sheet of Ageas France that is eliminated at Ageas group level. The total net equity of Ageas France at 31 December 2022 is EUR 222 million.

4

Risk management

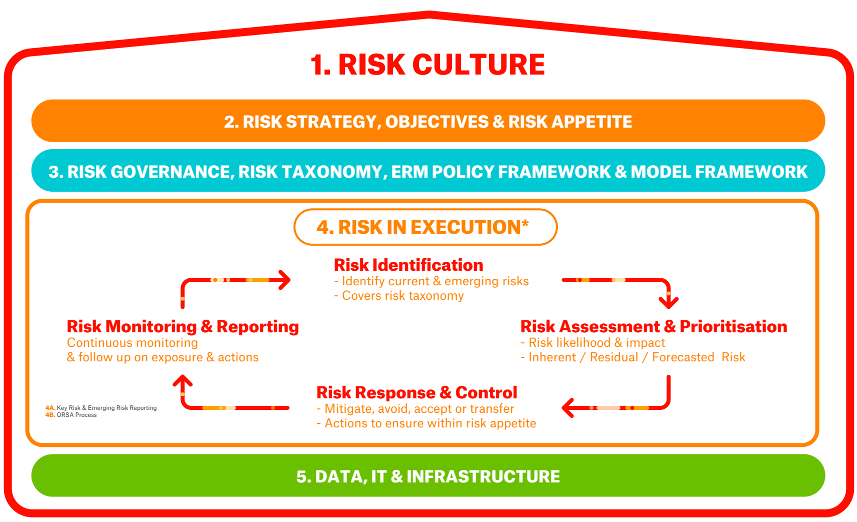
4.1 Risk Management Objectives

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-calibre and efficient, facilitating accurate and informative risk reporting that reinforces the decision-making process

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.



Note - Internal Control, Information Security and Data Management are managed as part of the ERM framework.
*In addition to 4A & 4B, further risk reports exist and are documented in the Ageas Enterprise Risk Management Framework.

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 promisses 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, regular risk training in the form of e-learning or classroom-based sessions, takes place across the group. 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. In 2022, risk education and awareness sessions included but were not limited to; Risk Incident Reporting, the Three Lines of Defence model; Anti-Fraud training; Code of Conduct, Cyber Security, GDPR, Information Security, Internal Control, Business Continuity and Operational Risk.

4.2
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[4] ERM and Internal Control frameworks, which encompasses key components that act as a supporting foundation of the risk management system (this includes climate-related risks).

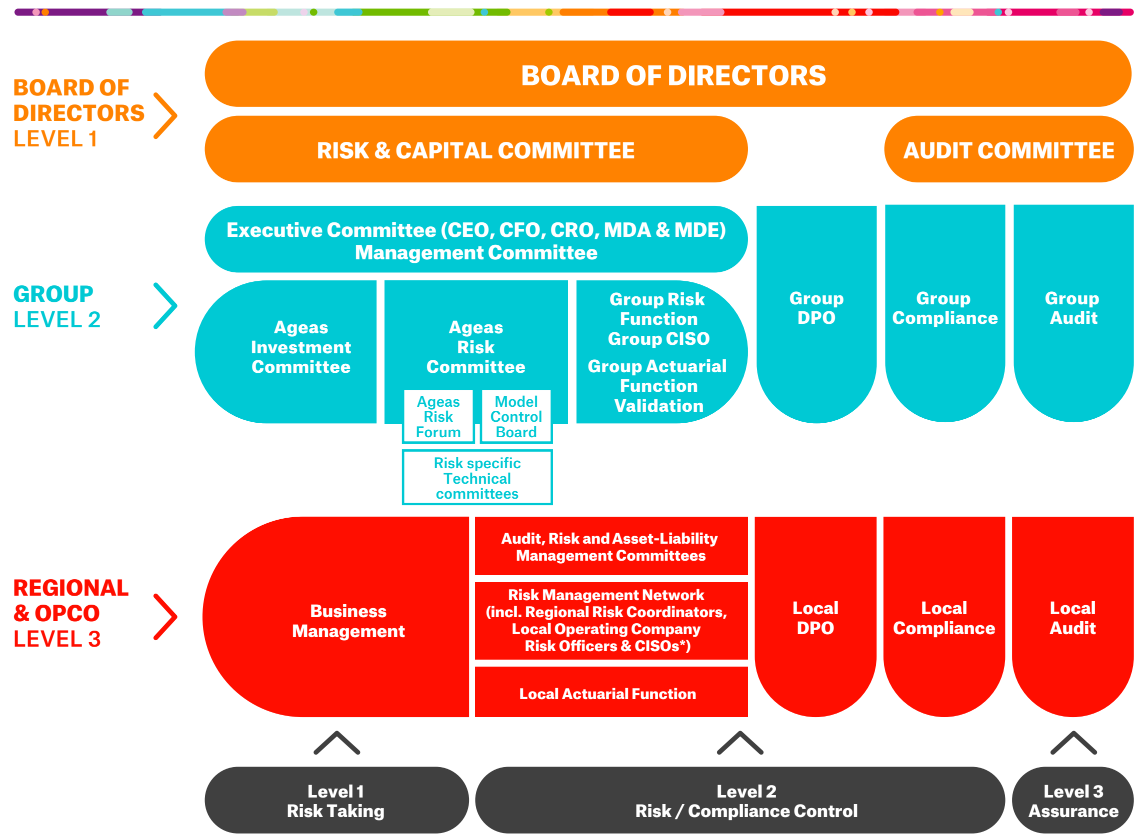
ERM can be defined as the process of systematically and comprehensively identifying critical risks, assessing their impact and implementing integrated strategies to provide reasonable assurance regarding the achievement of the company's objectives. Ageas's ERM framework (depicted in the diagram above) 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.

4 *Committee of sponsoring organisations of the treadway commission.*

4.3
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).



* Local CISOs have a functional reporting line to local risk management

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.

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 Technical Committee, Ageas Non-life 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 Executive Committee (ExCo) is ultimately accountable for the information security policy and the design, implementation and correct operation of the related controls. The ExCo assigns day-to-day responsibility for these arrangements 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. Group (and local) CISOs oversee information security programmes and related initiatives, and at least twice per year report on information security related risks and level of maturity to appropriate Steering / 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. 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 on at least a yearly basis. The DPO escalates issues to the local Data Protection Authority (DPA) when it is clear that the entity will start processing personal data that could cause damage and/or distress to the data subjects. The DPO also organises educational programmes to staff making sure that accountabilities and responsibilities within the entity are understood.

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.
- an Internal Audit Function assessing the adequacy and effectiveness of the internal control system and other elements of the risk governance system.

4.3.1 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

4.4
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.

4.4.1 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.

4.5
Assessing Solvency & Capital

4.5.1 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 Worker's 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 5 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.

4.5.2 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:

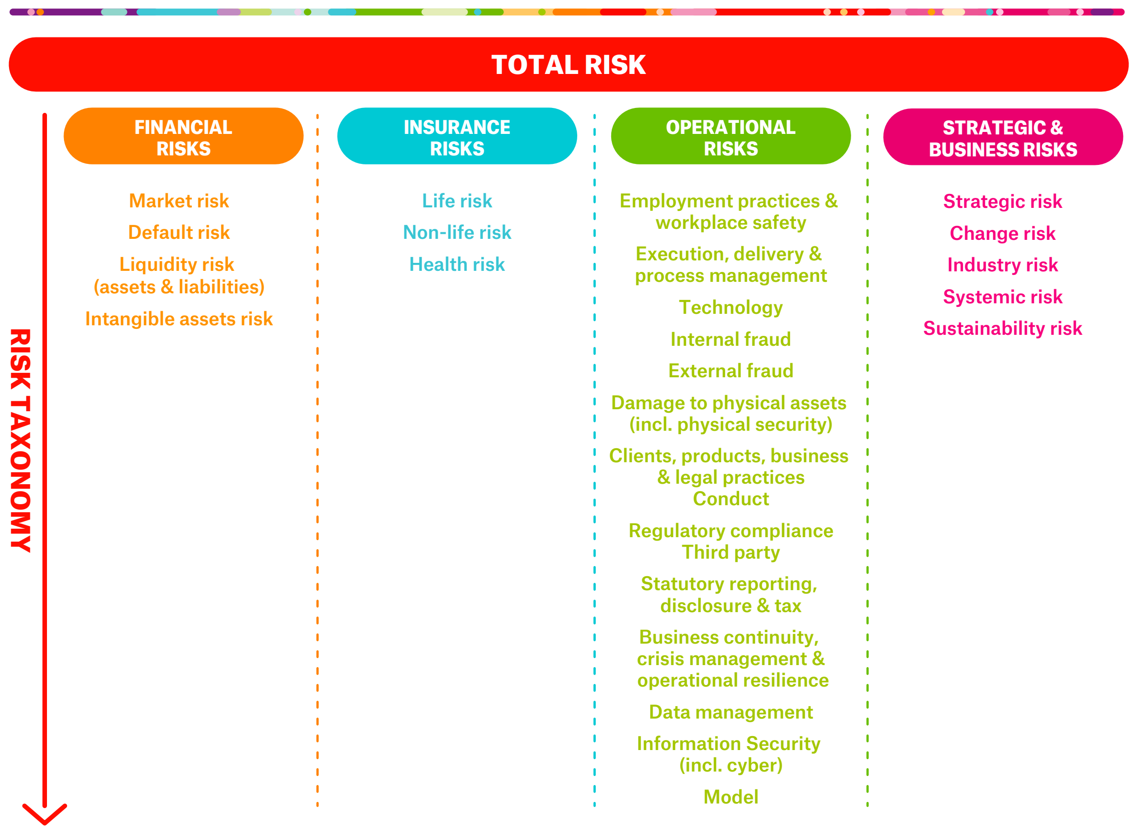
- Solvency
  - Risk Consumption (RC, being the level of buffer capital consumed by the current risk profile, consistent with a 1 in 30 year loss) remains below the Risk Appetite (RA) budget, set at 40% of Own Funds, net of expected dividends.
  - Capital Consumption (CC) remains below the Target Capital (TC), set at 175% of SCR_{ageas}.

- 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%.

4.6
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 have been updated to incorporate ESG considerations include the Product Approval Policy, the Outsourcing Policy and the Procurement Policy and a Responsible Investment Framework has been created.

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 4.1) and the Risk Taxonomy are fundamental to our Key Risk Reporting (KRR) and Emerging Risk Reporting (ERR) processes.

4.6.1 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 in our 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.

In Q1 2022, Ageas first performed an in-depth assessment of the consequences of Russia's aggression towards Ukraine, covering (a) the geopolitical context and sequence of events, international reaction and potential escalation scenarios, (b) a brief overview of the main legal consequences of the invasion, focussing on EU law, (c) Ageas's direct exposure (investments an underwriting, and (d) macro-economic impacts of the conflict. The assessment concluded that Ageas operating companies have negligible direct exposure to both Russia and Ukraine, and no identified exposures to sanctioned individuals or entities. Ageas has increased its alert level regarding cyber security. Ageas continuously reviews this assessment considering new risk insights.

The top key risks that Ageas faced during 2022 are:
- Interest Rate Risk.
- Higher Inflation Risk.
- IFRS 9/17 execution.
- Volatile / unfavourable market movements.

Interest Rate Risk.

The interest rate volatility that had been anticipated by the markets materialised with the increase in interest rates raising the question of higher client return in the Life Savings and Pension business. After some reluctance, interest rate increases started to be reflected in deposit rates offered by retail banks. Rapidly rising rates demand an increased re-activity in Life Savings in order to avoid losing significant inflow. However, as rate increases are factored in the short term and the 10yr rate has seen approx. 30 bps drop since the beginning of 2022, this makes increasing rates for products more complicated. In the current situation of rising interest rates, more alternative banking products with attractive yields have become available leading to potential risk to volumes in bancassurance.

Higher Inflation Risk

Inflation started to show signs of easing towards the end of 2022, following the highs observed in many countries post-Covid-19 monetary and fiscal response, as well as Russia's invasion of Ukraine. Both the ECB and the BoE have expressed their intention to continue with measured interest rate increases until the medium-term inflation outlook is consistent with their policy targets and are expected to raise rates further.

Although the direct consequences from inflation from non-Life business on the Balance Sheet are deemed lower than for the Life business, a specific attention point for non-life relates to tariff markets where non-life premium rate adjustments to inflation significantly tend to lack claims inflation. Ageas is closely monitoring all aspects of the business during such volatile market inflation conditions, anticipating P&L impacts, and especially considering:
- Reserve risk: impact on outstanding claims of high inflation
- Premium risk: heightened need for Business agility (the speed of taking decisions is increasingly crucial, such as repricing, but also the agility of key business areas, such as Product, Commercial and Sales, …). The volatile conditions may increase competition in market share.
- Impacts on the financial purchasing power of households.
- Increased likelihood related to fraud (including cyber fraud).

IFRS 9/17

The new accounting standards introduce a number of execution risks linked to the interpretation and implementation of IFRS 9/17.

Whilst very good progress has been made and no significant issues were reported by external auditors, Ageas takes a prudent approach to closely monitor IFRS 9/17 execution as a key risk given resource capacity and Joint Venture alignment.

Volatile / unfavourable market movements

In addition to medium-term risks (e.g. post-Brexit EU/UK trade tensions, US/China tensions, Russia/Ukraine 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.

4.6.2 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. These components support in building the Horizon Scan radar to define focus and priorities in an Horizon Scan report.

Whilst numerous external sources (insurance industry reports, forums, peer reports…) provide inputs into the Emerging Risk Reporting Process, the Horizon Scan report and Regional / Operating Companies' emerging risk reports are the main source of inputs to the 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
- Economic
- 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 2022 Group Emerging Risk Radar generally reflects areas considered most relevant to both the industry and Ageas's strategy, business lines and model.

Compared to 2021, the emerging trends and risks that are integrated into business-as-usual activities and/or strategy have been removed from the radar – where these trends have materialised as key risk, they are reported and monitored through the Ageas Group Top Risk Report.

The top (high proximity, moderate to major impact) Emerging Risks for Ageas as at end 2022 are:
- Geo-political instability / trade Wars
- Driving Technology
- New customer Needs & Expectations
- Robotics / AI / Technology

Geo-political instability / trade wars (PESTLE category – Political)

Political instability and uncertainties are growing worldwide. Following the height of the Covid-19 pandemic, many economies rebounded as trade recovered and business returned to normality across geographical locations. Even before the Russia-Ukraine conflict, energy prices were on the rise (unresolved supply chain bottlenecks) however the invasion of Ukraine further generated international trade conflicts and geopolitical frictions. Countries, states and companies have been assessing areas in which they are dependent from a specific country/ partner and considering ways to "detach" or reduce their dependency on those countries/ partners (e.g. onshoring, diversifying, etc.).

Economies across Europe, East and South-East Asia face a period of high inflation, growing interest rates and consumer uncertainty. Whether or not a recession (or even a depression) is at our doorstep, it is beyond argument that negative sentiment and times of hardship loom.

Major demographic, environmental and economic trends are likely to continue to drive migration during the next decade, which in turn may further contribute to political instability in countries affected.

Increased migration flows in some European countries might lead to increased social tensions. Given that the rise of identity politics has the migration crisis as one of its root causes, nationalist and populist parties appear to be taking centre-stage in many nations across Europe.

Ramifications of the Russia-Ukraine conflict include the impact of countries' default risk, inflow of refugees; scaled back ambitions on green transition, destabilization of fragile countries (MENA, Western Balkans). Concerns over the scale of attacks means that (re-)insurers are more proactively looking at ways to mitigate risks.

China could emerge the ultimate "beneficiary" of this conflict, absorbing the best of Russia's economy (oil & gas, wheat, military equipment).

Risk scenarios and corresponding mitigation actions are monitored at Board-level. Monitoring is also performed through the Group Top Risk Report.

Whilst geo-political developments are outside of Ageas's control, Ageas Group and its local entities continue to closely monitor evolutions of geo-political conflicts and instability and the potential impacts on the business and strategy to prepare response plans where appropriate.

Driving Technology (PESTLE category – Technological)
The way we own and use cars is being redefined through advancements in technology. The introduction of these technologies is likely to lead to an increase in partially, and eventually, fully autonomous vehicles on the roads. This is expected to have a major impact on the insurance industry, particularly in relation to how the frequency and cost of claims is likely to develop.

It is expected that while claims frequency is likely to improve due to new safety features, the costs of repairing and replacing such vehicles with complicated technical features is going to be significantly higher. This is already being experienced in Ageas's motor book of business.

Alongside the advancements in the technology itself, will be the ability of manufacturers to collect an increasing amount of valuable data on individuals and their driving habits, which could be exploited to change existing supply chain dynamics. For insurers, access to such data could lead to changes in underwriting, increasing the ability to offer hyper-personalised products, services and content.

Whilst fully autonomous vehicles may still be some time away, advanced driver assistance systems (ADAS) are already in existence and are expected to become more sophisticated and prevalent over the near term.
NB: Fully autonomous vehicles are still likely to be at least 5 years away or longer.

Numerous actions are ongoing across the Group, such as electric vehicle ecosystem, monitoring and interpretation of legislation such as Automated Lane Keeping Systems (ALKS), deep dives into new driving technology and capabilities, tracking vehicle repair costs, operational readiness discussions across Ageas's repair network…

New customer needs & expectations
(PESTLE category – Environmental)
Shifting consumer needs and the more recent inflationary environment invite insurers to innovate in pursuit of growth and to stay ahead of new competitive threats.

Customer and market expectations with respect to sustainability and social responsibility are changing where companies have to make the appropriate choices in integrating sustainability aspects in their strategy. However, it is not only about defining a strategy but also about acting upon it. The regulation and expectations with respect to sustainability are increasing which could drive up operational costs and reputational risk.

Disruptive business models disrupt certain business markets by addressing unmet customer needs or new demands which have been ignored by the leading providers. Disruptive business models are often powered by product/service innovation which helps them create a new niche within an existing market or create a new market altogether. This could be in the form of one of the big (GAFA) tech companies entering the direct insurance market, utilising the wealth of data they have acquired on individuals to determine the level of risk and price accordingly.

Insurance companies should integrate effective & regular customer communication/touchpoint strategies (whilst data can help to understand customer needs & tailor communications respectively, adopting the right tone of communication, using relevant media depending on the target audience, simplifying communications/messages, and integrating reliable customer support systems can further strengthen the communication / touchpoint strategy).

A more recent trend is "adjacent innovation" where existing financial services companies adapt their current products to take them to new markets and digital channels or create new digital products for existing markets.

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 hyper-personalisation, companies identify the subtle details about their customers that traditional levels of personalisation are yet to capture.

Numerous Group transversal initiatives are underway to explore opportunities and mitigate risks. These include, but are not limited to, customer experience platform, health ecosystem, digital platforms new engine, Impact24…Additionally, many local actions are underway across Ageas operating companies.

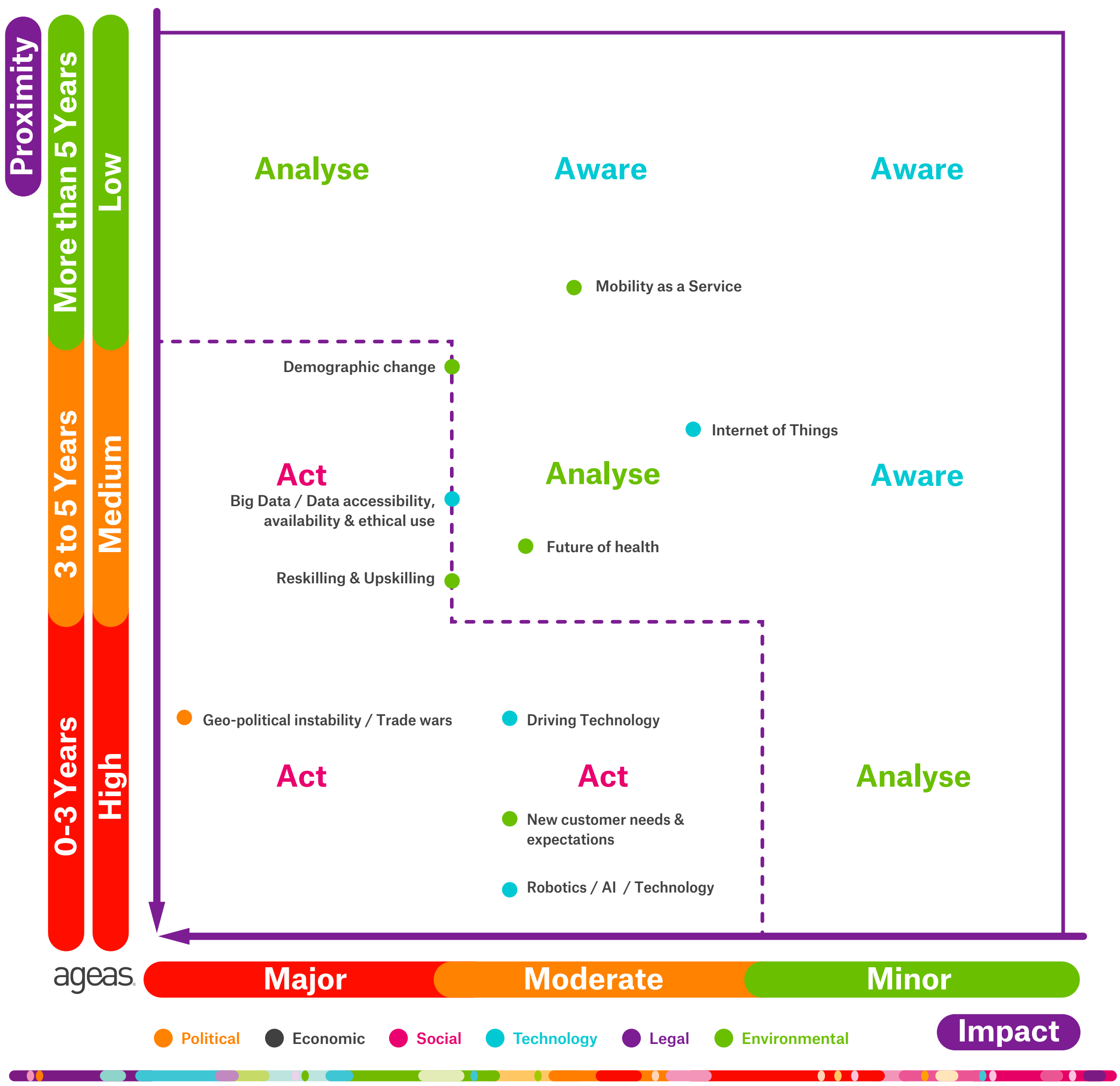
Robotics / AI / Technology (PESTLE category – Technological)
Robotics, AI & technology allow companies, among others, to reduce the cost spent on routine work and refocus certain employees to more creative tasks (reskilling & upskilling).

AI has been hailed as revolutionary and world changing, but it is not without its drawbacks. Concerns of the macro risks around AI include privacy violations, 'Deep Fakes', algorithmic bias, job losses through automation, socioeconomic inequality and even weapon automation.

That said, the list of new upcoming technologies and scientific breakthroughs is relentless and unfolding on many fronts and is even further accelerated by the Covid-19 sanitary crisis. Although not all advances can be billed as a breakthrough, some technologies may have the potential to alter the way people live and work and lead to entirely new products and services.

Group transversal initiatives are underway to explore opportunities and mitigate risks. These include, but are not limited to, AI and Robotics communities, Data Management and Governance Taskforce, Smart automation, creating business value with technology training program, Data robot project… Additionally, Ageas operating companies are monitoring this trend through local governance, within external forums and conferences, and in some cases, AI and new technology is already integrated as part of business-as-usual activities.

The Group Emerging Risk Radar below reflects the emerging risks most relevant to business activities that have been identified as part of the 2022 Emerging Risk Process:



4.6.3 **Spotlight:**
Climate Change Risk Assessment

The main risks that Ageas are exposed to from climate change are credit risk, market risk, general insurance and life insurance risk, and modelling the effects of climate risk on our portfolios is an important focus area as understanding and managing climate impacts will be essential in forming strategic responses and maintaining our long-term resilience.

Following the first inclusion of different climate change scenarios in our 2021 ORSA, this activity has continued to be refined. The scenarios, that cover medium to longer term time horizons, seek to better understand potential impacts of both Transition Risk and Physical Risk on our assets and liabilities.

For the purposes of the ORSA, the focus Group-wide was the following two transmission channels:

For an insurance group like Ageas, Transition Risk, likely to arise from extensive policy, technology, market, and customer behaviour changes, lies predominantly on the asset side of the balance sheet via material valuation changes, stranded assets and changes in default rates as a result of the shift towards a low-carbon economy.

For investments, Ageas integrates sustainability (environment, social and governance) criteria in its research and investment processes. It has implemented a Responsible Investment Framework (RIF) to integrate sustainability risks in investment decisions based on both exclusions policies and ESG scoring methodologies that focus investment on assets with an overall better ESG performance and lower sustainability risks. The RIF covers ESG integration, impact investing, exclusion screening, net zero targets, and engagement. In 2022 Ageas also became a member of the Net Zero Asset Owner Alliance committing to reducing financed emissions by 50% by 2030 and fully decarbonising the portfolio by 2050.

Acute and chronic Physical Risk, associated with an increase in claims and losses, impacts our underwriting liabilities through changes in demand for products and services and changes in loss ratios / profits. The climate-related perils most relevant to Ageas's underwriting portfolios are flood, windstorm, subsidence, wildfire, heatwave and, to a lesser degree, airborne pollution.

The climate-related stress tests performed as part of the ORSA look at a number of these perils to better understand medium to long term potential impacts and identify appropriate actions.

The first transmission channel relates to the (macro-)economic impact of climate change through its effects on the prices of financial assets and macro-economic variables such as interest rates and inflation. Furthermore, specific types of assets could be see a significant decrease in value, either through a higher cost of capital or a higher perceived risk by the nature of their activities or their location. This could directly impact Ageas and its subsidiaries through changes in value in its investment portfolio, as well the economic value of its insurance liabilities, on longer time horizons.

The second transmission channel relates to geophysical changes triggered by changing climate conditions. Ageas and its subsidiaries underwrite insurance covers related to specific perils, whose frequency and/or severity can be adversely impacted. These perils are mainly covered by Non-life insurance contracts, however changes in mortality rates might also impact Life insurance.

Based on the above, two series of studies were performed for the 2022 ORSA:
- A Group-wide stress test for the European consolidated entities, whereby a long-term projection of investment assets and the ALM position was performed under different climate scenarios.
- A number of specific analyses, both quantitative and qualitative, relating to underwriting liability exposures.

Scenario Definition
The stress test related to Investments and ALM is a further development of the Climate stress test performed for the 2021 ORSA, which itself was inspired by the PRA's 2021 Biennial Exploratory Scenario. Whereas the 2021 ORSA stress test took the PRA's stress factors as a starting point, for the 2022 ORSA, Ageas used macro-economic and financial projections provided by Moody's Analytics. The initial input used was enhanced using in-house methodology to arrive at more granular stress factors.

The stress test consisted of three alternate climate scenarios which were compared to a baseline scenario. The time horizon considered was 2045. (One potential future development would be to lengthen the projection horizon, noting that this would however further compound uncertainties related to the scenario).

The narrative underlying the three scenarios was the following:

- **Early Policy Scenario:** Policy changes to shift to carbon neutrality in 2050 are enacted immediately. These policy changes (such as carbon pricing) are reflected in asset prices and macro-economic variables and are gradually absorbed over the projection horizon.

- **Late Policy Scenario:** Policy changes to shift to carbon neutrality in 2050 are delayed till 2031. The delay causes the transition to occur less gradually and in a more disorderly fashion. This leads to a more abrupt repricing of assets and a more severe shock to macro-economic variables.

- **Current Policy Scenario:** No further policy actions are taken, and the transition to carbon neutrality does not occur. Focus is on physical risks as climate change continues unchallenged.

The three scenarios described above give rise to alternate trajectories of macro-economic variable 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 effects exist. This allows for expressing the climate effects as shocks to be applied to the existing balance sheet.

The scenarios chosen are inspired by the so-called Phase 2 scenarios published by the Network for Greenish the Financial System (NGFS). Moody's Analytics used these scenarios as a starting point for their macro-economic projections, using its own proprietary methodology. Ageas then enriched the scenarios produced by Moody's with more granular shocks, in particular with regards to equities & corporate bonds, as well as real estate. This internal overlay was designed to better reflect the climate sensitivity of investment assets based on sector (for equities and corporate bonds) and physical characteristics (for real estate).

The shocks described above were applied to the investment portfolio at a granular level. Furthermore, the insurance liabilities were revalued through the forecasted impacts on the risk-free curve. Local entities also reflected these shocks in their Solvency Capital Requirement. All projections were done assuming a static balance sheet, i.e. the same assets and liabilities were considered throughout the projection horizon.

In the early policy scenario, the climate transition is considered to be an exogenous shock to inflation rates. This so-called "greenflation" causes central banks to keep interest rates higher, in order to anchor inflation expectations.

Starting in 2026, this exogenous shock pushes risk-free rates substantially higher, through the transition period up to 2035. In 2045, the shock is considered to be absorbed and interest rates come down again to their equilibrium state.

In the late policy scenario, there is no shift in 2026 as climate policies are not yet into effect. In 2035, the initial reaction of central banks is to lower policy rates, as the sudden transition shock prompts the need for monetary support. Afterwards, interest rates rise as the implemented climate policies result in increased inflation pressures and increased financing costs.

The current policy scenario assumes that no substantial shift in climate policies occurs over the projection horizon. Interest rates reflect this fact, with no additional inflationary pressure materializing and no subsequent central bank reaction. Interest rates remain at equilibrium level and do not materially evolve.

Conclusion

The risks that are faced are both uncertain and yet totally foreseeable. The exact combination of physical and transition risks that will emerge is uncertain, but we will either continue our current emissions pathway and face greater physical risks or we change our pathway by reducing emissions and face greater transition risks.

Although no attempt has been made to attach a probability to any of the scenarios considered, the current global focus on limiting CO_2emissions, supported by initiatives such as the Paris Agreement and governments commitments to achieving net-zero status by 2050, indicates transition risk from a move to a lower-carbon economy is likely. Notwithstanding, there is considerable uncertainty regarding the extent of the transition and the associated timescale.

Whilst Ageas's investment strategy of focusing more on sectors resilient to climate risks is a key mitigant for transition risk, a continuing strategic response to climate change will be required as our customers' demands and expectations evolve. Based on the relatively modest impacts on our assets and liabilities in the testing results, and our confidence in the execution of our Impact24 sustainability initiatives, we do not envisage transition risk posing a material threat to solvency.

The same can be said for physical risks with the forecast increase in those perils most relevant to our businesses adjudged as being manageable, particularly in non-life business through pricing and re-insurance. That said, these two mitigants may have some limitations as certain regions may be disproportionately affected by the physical risks of climate change and issues may emerge around the affordability and availability of re-insurance risk coverage.

It is very important to recognise that these views are formed with reliance on the information available at the time of assessment and the inherent uncertainty of modelling climate change. We acknowledge that climate modelling is in its relative infancy and this view will be regularly deepened and updated as more information and recognised models become available.

Actions and outlook

Climate change analysis continues to be actively developed and actions identified from activity to date include:

- Ongoing development & challenge of the scenarios for measuring transition and physical risk impacts on investments & ALM.
- Continued refinement of investment portfolio granularity in terms of sensitivity to climate risks.
- Further develop peril analysis in those entities where perils may become more relevant in the longer term and improve peril analysis for those entities where data is more limited.
- Development of capacity for performing similar studies for Ageas's Asian participations.
- Investigate how to best assess Liability risk.

4.7
Details of various risk exposures

The following sections explain Ageas's risk types and various risk exposures in more detail.

4.7.1 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 in order 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.

4.7.1.1 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 risk concentration;
g. inflation risk.

The sensitivities presented in this note exclude the impact in non-controlled participations.

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.

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.

The table below shows the gross impact on the IFRS income statement and IFRS equity as a result of a decrease in the interest rates for consolidated entities. An upwards/downwards shock is applied, corresponding to a 1/30 years return period (around 75bps on average). Some entities use a simplified method where a parallel stress of 100bps is considered.

		2022		2021
	Impact on income statement	Impact on IFRS Equity	Impact on income statement	Impact on IFRS Equity
Interest - rate down	95	1,841	4	396
Interest - rate up	(67)	(2,224)	2	(1,407)

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.

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.

	2022	2021
Type of asset		
Direct equity investments	2,799	3,058
Equity funds	406	916
Private equity	406	191
Asset allocation funds	11	39
Total Economic equity exposure	**3,622**	**4,204**
Debt funds	197	424
Money market funds	23	221
Real estate funds (SICAFI/REITS)	619	1,023
Total IFRS equity exposure	**4,461**	**5,872**
of which:		
Available for Sale (see note 10)	4,213	5,669
Held at Fair Value (see note 10)	248	203

Sensitivities

The table below shows the gross impact on the IFRS income statement and IFRS equity as the result of an equity shock corresponding to a 1/30 years return period down (around 30% for EAA listed equities) for consolidated entities

	Impact on income statement	2022 Impact on IFRS Equity	Impact on income statement	2021 Impact on IFRS Equity
Equity risk downwards	(340)	(967)	(281)	(1,262)

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.

Sensitivities

The sensitivities considered for the impact of credit spread widening on the income statement and IFRS equity depend on the credit rating and duration of the asset considered. These stresses correspond to a 1/30 return period, and range between +70bps for AAA rated assets to +200bps for BBB rated assets. Some operating entities apply a simplified method where the entire credit portfolio is shocked by +100bps.

The table below shows the gross impact on the IFRS income statement and IFRS equity as the result of a spread sensitivity shock.

	Impact on income statement	2022 Impact on IFRS Equity	Impact on income statement	2021 Impact on IFRS Equity
Spread risk – Credit spread widening	(31)	(1,004)	(14)	(1,291)

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 as at 31 December are stated in the following table. The exposures shown are net (assets minus liabilities), after any hedging denominated in euros

At 31 December 2022	HKD	GBP	USD	CNY	INR	MYR	PHP	THB	VND	RON	TRY	Other
Total assets	199	3,205	913	2,508	1,875	467	57	787	23	26	266	52
Total liabilities	12	2,596	2		1,617					1		6
Total assets minus liabilities	187	609	911	2,508	258	467	57	787	23	25	266	46
Off balance		(20)	(435)									
Net position	187	589	476	2,508	258	467	57	787	23	25	266	46
Of which invested in subsidiaries and equity associates	199	730	57	2,508	420	467	57	787	23	26	266	

At 31 December 2021	HKD	GBP	USD	CNY	INR	MYR	PHP	THB	VND	RON	TRY	Other
Total assets	332	4,975	1,343	2,529	297	510	54	1,072	21	26	142	51
Total liabilities	11	4,011	1							1		7
Total assets minus liabilities	321	964	1,342	2,529	297	510	54	1,072	21	25	142	44
Off balance		(22)	(678)									
Net position	321	942	664	2,529	297	510	54	1,072	21	25	142	44
Of which invested in subsidiaries and equity associates	332	939	63	2,529	297	510	54	1,072	21	26	142	

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.

	2022	2021
Type of asset		
Carrying amount		
Investment properties (see note 11)	3,030	3,117
PP&E: land and buildings for own use and Car parks (see note 16)	2,038	1,592
Property intended for sale (see note 15)	240	323
Total (at amortised cost)	**5,308**	**5,032**
Real estate funds (at fair value)	619	1,023
Total IFRS real estate exposure	**5,927**	**6,055**
Unrealised capital gain (Economic exposure)		
Investment properties (see note 11)	1,237	1,249
PP&E: land and buildings for own use (see note 16)	763	723
Total Economic real estate exposure	**7,927**	**8,027**

Sensitivities

The table below shows the gross impact on the IFRS income statement and IFRS equity as the result of a property stress corresponding to a 1/30 return period (on average 14%).

	Impact on income statement	2022 Impact on IFRS Equity	Impact on income statement	2021 Impact on IFRS Equity
Property risk downwards	(142)	(211)	(203)	(307)

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.

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 Workmen's Compensation policies.

The table below provides information on the concentration of credit risk as at 31 December by type and by location of the Ageas entity.

31 December 2022	Government and official institutions	Credit Institutions	Corporate Customers	Retail Customers	Other	Total
Belgium	27,153	12,865	9,127	1,699	107	50,951
Europe (excluding Belgium)	3,832	2,246	2,211		119	8,408
- *Portugal*	*3,504*	*1,402*	*653*		*86*	*5,645*
- *UK*	*328*	*844*	*1,558*		*33*	*2,763*
Asia	766	417	7	2	12	1,204
Reinsurance	463	756	226			1,445
General Account and eliminations*		693	(1,570)		77	(800)
Total	**32,214**	**16,977**	**10,001**	**1,701**	**315**	**61,208**

31 December 2021	Government and official Institutions	Credit Institutions	Corporate Customers	Retail Customers	Other	Total
Belgium	33,435	15,281	7,924	1,681	78	58,399
Europe (excluding Belgium)	6,684	3,681	2,420	20	120	12,925
- *Portugal*	*4,330*	*1,747*	*661*		*60*	*6,798*
- *UK*	*340*	*1,142*	*1,708*		*38*	*3,228*
- *France*	*2,014*	*792*	*51*	*20*	*22*	*2,899*
Asia		4			8	12
Reinsurance	522	979	236			1,737
General Account and eliminations		1,106	(1,516)		97	(313)
Total	**40,641**	**21,051**	**9,064**	**1,701**	**303**	**72,760**

* *The line 'General Account and eliminations' is mainly linked to the reinsurance programme and Group Treasury.*

The table below provides information on the concentration of credit risk as at 31 December by type and location of counterparty.

31 December 2022	Government and official institutions	Credit Institutions	Corporate Customers	Retail Customers	Other	Total
Belgium	16,534	1,769	2,690	1,699	141	22,833
Europe (excluding Belgium)	14,857	11,864	7,212		118	34,051
- *France*	4,277	3,009	1,428		1	8,715
- *Portugal*	1,580	324	180		47	2,131
- *UK*	194	1,258	803		48	2,303
- *Other*	8,806	7,273	4,801	2	22	20,902
Asia	764	818	74		4	1,662
Other countries	59	2,526	25		52	2,662
Total	**32,214**	**16,977**	**10,001**	**1,701**	**315**	**61,208**

31 December 2021	Government and official institutions	Credit Institutions	Corporate Customers	Retail Customers	Other	Total
Belgium	20,604	2,308	2,343	1,681	166	27,102
Europe (excluding Belgium)	19,935	14,927	6,635	20	83	41,600
- *France*	*6,193*	*4,265*	*1,362*	*20*	*22*	*11,862*
- *Portugal*	2,530	255	241		21	3,047
- *UK*	235	1,415	905		37	2,592
- *Other*	10,977	8,992	4,127		3	24,099
Asia		493	65		2	560
Other countries	102	3,323	21		52	3,498
Total	**40,641**	**21,051**	**9,064**	**1,701**	**303**	**72,760**

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-	14,849	15,411
French Republic	AA	4,862	4,662
Portuguese Republic	BBB	2,599	2,591
Kingdom of Spain	BBB+	2,208	2,296
Republic of Austria	AA+	1,656	1,569
Republic of Italy	BBB-	1,216	1,553
Federal Republic of Germany	AAA	1,151	1,023
European Investment Bank	AAA	904	899
Republic of India	BBB-	743	731
BNP Paribas SA	A+	736	688
Total		**30,924**	**31,423**

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.

4.7.1.2 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 9 Cash and cash equivalents; note 12 Loans; Note 27 Derivatives held for Trading and note 28 Commitments.

The table below provides information on the impaired credit risk exposure as at 31 December.

			2022			2021
	Impaired outstanding	Impairments for specific credit risk	Coverage ratio	Impaired outstanding	Impairments for specific credit risk	Coverage ratio
Interest bearing investments (see note 10)	14	(14)	100.0%	6	(21)	350.0%
Loans (see note 12)	42	(24)	57.1%	43	(25)	58.1%
Other receivables (see note 14)	84	(49)	58.3%	32	(52)	162.5%
Total impaired credit exposure	**140**	**(87)**	**62.1%**	**81**	**(98)**	**121.0%**

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.

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.

1 Loans

The table below provides information on the credit quality of loans.

	2022 Carrying value	2021 Carrying value
Investment grade		
AAA	1,359	1,402
AA	2,225	2,335
A	2,429	2,262
BBB	617	331
Investment grade	6,630	6,330
Below investment grade		
Unrated	7,813	7,016
Residential mortgages	1,115	1,175
Total investments in loans, gross	15,558	14,521
Impairments	(25)	(29)
Total investments in loans, net (see note 12)	**15,533**	**14,492**

2 Interest bearing investments

The table below outlines the credit quality of interest-bearing investments as at 31 December.

	2022 Carrying value	2021 Carrying value
Investment grade		
AAA	3,239	4,010
AA	20,701	27,883
A	4,787	6,432
BBB	10,940	13,820
Investment grade	39,667	52,145
Below investment grade	229	195
Unrated	2,420	1,734
Total investments in interest bearing securities, net	42,316	54,074
Impairments	14	21
Total investments in interest bearing securities, gross (see note 10)	**42,330**	**54,095**

3 *Government bonds*

The table below provides information on the credit quality of government bonds.

	31 December 2022	31 December 2021
By IFRS classification		
Available for sale	22,019	31,140
Held at fair value through profit or loss		
Held to maturity	5,106	4,351
Total government bonds (see note 10)	**27,125**	**35,491**
By rating		
AAA	2,024	2,251
AA	19,188	25,546
A	571	1,269
BBB	4,913	6,381
Total investment grade	26,696	35,447
Below investment grade		25
Unrated	429	19
Total non-investment grade and unrated	429	44
Total government bonds	**27,125**	**35,491**

4 *Corporate bonds*

The table below provides information on the credit quality of corporate bonds.

	31 December 2022	31 December 2021
By IFRS classification		
Available for sale	9,145	11,680
Held to maturity	123	
Total corporate bonds (see note 10)	**9,268**	**11,680**
By rating		
AAA	33	40
AA	430	648
A	2,746	3,617
BBB	4,932	6,368
Total investment grade	8,141	10,674
Below investment grade	228	163
Unrated	899	843
Total non-investment grade and unrated	1,127	1,006
Total corporate bonds	**9,268**	**11,680**

5 *Banks and other financials*

The table below provides information on the credit quality of banks and other financial institutions.

	31 December 2022	31 December 2021
By IFRS classification		
Available for sale	5,566	6,715
Held at fair value through profit or loss	124	134
Held to maturity	191	
Total banking and other financials (see note 10)	**5,881**	**6,849**
By rating		
AAA	1,182	1,719
AA	1,072	1,674
A	1,470	1,544
BBB	1,094	1,070
Total investment grade	4,818	6,007
Below investment grade	1	7
Unrated	1,062	835
Total non-investment grade and unrated	1,063	842
Total banks and other financials	**5,881**	**6,849**

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.

4.7.1.3 Liquidity risk

Liquidity risk is the risk of being unable to liquidate investments and other assets in order 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) in order 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 in order 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.

An overview of expected outflows stemming from insurance liabilities (other than Unit-Linked) can be found below. These cash flows reflect an actuarial Best Estimate using Solvency II contract boundaries. Note that the Group aggregate liability outflows are not used for management purposes, as liquidity is managed within the individual insurance companies and at holding level.

Net cash outflows from insurance liabilities as at 31 December 2022	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027
Policyholder liabilities, excluding Unit-Linked business, net of reinsurance	8,142	7,024	5,284	5,382	5,911

Net cash outflows from insurance liabilities as at 31 December 2021	Year 1 2022	Year 2 2023	Year 3 2024	Year 4 2025	Year 5 2026
Policyholder liabilities, excluding Unit-Linked business, net of reinsurance	8,098	6,711	6,275	4,759	4,863

4.7.1.4 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 value of business acquired, 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.

4.7.2 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 in order 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 in order 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 Solvency II Solvency Capital Requirement (SCR) per sub-risk. In the table below, the SCR for each type of Underwriting Risk is displayed, indicating the relative levels of risk and capital consumption.

Composition of SCR related to insurance risk	31 December 2022	31 December 2021
Life Underwriting Risk	1,681	944
Health Underwriting Risk	322	338
Non-Life Underwriting Risk	966	875

4.7.2.1 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 worker's 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 year.

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's catastrophe risk stems from extreme or irregular events that are life threatening, for example nuclear explosion, new infectious pandemic disease, terrorism, or natural disasters.

G. MANAGEMENT OF LIFE RISKS AT AGEAS INSURANCE COMPANIES

Life underwriting risks are monitored via internal quarterly risk reporting in order 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.

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.

4.7.2.2 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.

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, severity of claims, timing of claim settlements, or 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[5], 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, natural disasters such as storms, floods, earthquakes, freezes, tsunamis or man-made events such as terrorist attacks, explosions or casualty claims with a lot of victims involved or with collateral impacts such as pollution or business interruption.

The mitigation of the catastrophe risk is done via concentration risk management and reinsurance.

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.

5 E.g. ENID (Events not in data) events.

E. MANAGEMENT OF NON-LIFE RISKS AT AGEAS

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.

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 in order 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 8 Segment reporting.

G. SENSITIVITIES ON TECHNICAL PROVISIONS

Non-life sensitivities shown in the table below assume the impact on the pre-taxation result considering a decrease in expenses, as included in the consolidated income statement, of 10%, and an increase in claims cost, as included in the consolidated income statement, of 5%.

Non-life Sensitivities	Impact on pre-taxation result at 31 December 2022	Impact on pre-taxation result at 31 December 2021
Expenses -10%	145	145
Claims costs 5%	(132)	(126)

H. 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 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 material figures quoted are undiscounted. Claim reserves that are held on a discounted basis with similar to life techniques (e.g. permanent disability or death annuities deriving from lines such as Workmen's Compensation or Motor Liability) are included in the reconciliation lines.

All amounts in the table are calculated at the applicable exchange rates at year-end 2022.

The loss reserve development table per accident year is as follows.

Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Payments at:										
N	969	1,064	954	1,179	1,083	1,084	1,099	1,024	1,253	1,479
N + 1	482	472	477	465	475	485	447	400	562	
N + 2	109	124	127	114	112	122	122	120		
N + 3	71	78	96	86	88	79	77			
N + 4	57	59	49	68	58	48				
N + 5	30	49	45	42	38					
N + 6	17	22	16	18						
N + 7	17	4	9							
N + 8	8	11								
N + 9	9									
Cost of claims: (Cumulative Payments + Outstanding claims reserves)										
N	2,021	2,090	1,966	2,383	2,146	2,121	2,169	1,990	2,379	2,700
N + 1	1,951	2,054	1,955	2,387	2,130	2,166	2,064	1,936	2,420	
N + 2	1,896	2,061	2,011	2,290	2,105	2,137	2,147	1,901		
N + 3	1,882	2,075	1,948	2,183	2,048	2,069	2,100			
N + 4	1,915	2,038	1,900	2,169	2,041	2,011				
N + 5	1,902	1,997	1,906	2,145	1,994					
N + 6	1,874	1,988	1,903	2,135						
N + 7	1,866	1,963	1,893							
N + 8	1,861	1,975								
N + 9	1,833									
Ultimate loss, estimated at initial date	2,021	2,090	1,966	2,383	2,146	2,121	2,169	1,990	2,379	2,700
Ultimate loss, estimated at prior year	1,861	1,963	1,903	2,145	2,041	2,069	2,147	1,936	2,379	
Ultimate loss, estimated at current year	1,833	1,975	1,893	2,135	1,994	2,011	2,100	1,901	2,420	2,700
Surplus (deficiency) current year vs initial accident year	188	115	73	248	152	110	69	89	(41)	
Surplus (deficiency) current year vs prior year	28	(12)	10	10	47	58	47	35	(41)	
Outstanding claims reserves prior to 2013										523
Outstanding claims reserves from 2013 to 2022										3,311
Other claims liabilities (not included in table)										2,295
Claims with regard to workers' compensation and health care										1,698
Total claims reserves in the statement of financial position										7,827

The loss reserve development table per accident year shows the development of the ultimate total loss (as payments made and outstanding claims reserves) for each individual accident year (as indicated in the column), for each development year (as indicated in the row) since the year of occurrence through to the reporting year 2022.

The triangle related to ‘Payments‘ reports the amount of claim payments net of recoveries, gross of reinsurance.

The second triangle, ‘Cost of claims’, reports the sum of cumulative payments and outstanding claims reserve including IBN(E)R for each accident year. This is gross of reinsurance.

The Ultimate loss line items, estimated at the initial date of occurrence, at prior reporting year and at current reporting year, reflect 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 claims reserves in the statement of financial position is further disclosed in section 19.4 Liabilities arising from Non-life insurance contracts.

4.7.2.3 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 4.7.2.1 Life underwriting risks. For liabilities similar to Non-life liabilities or modelled on a similar way, please refer to section 4.7.2.2 Non-life underwriting risks.

4.7.3 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 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.

4.7.4 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.
Two of the top strategic and business risks faced by Ageas Group in 2022 were Interest Rate Risk and higher inflation risk. Further details are provided in section 4.6.

4.7.4.1 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 3 year budgeted period (Multi-Year Budget or MYB), which comprises strategic risks.

4.7.4.2 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).

4.7.4.3 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.

4.7.4.4 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.

4.7.4.5 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.

4.7.5 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 weather related (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 licence for Ageas SA/NV in Belgium.

The rationale of obtaining a licence for Ageas SA/NV was to optimise the Ageas Group reinsurance programme by harmonising risk profiles among controlled limits/entities and to improve capital fungibility.

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;
- Ageas France;
- Specific NCPs (non-controlled participations), e.g. China, Thailand, Malaysia, Türkiye and India.

As of Jan 1st 2023, Ageas SA/NV has started underwriting non-life third party business 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 acquisition of group retrocession covers and/or covers protecting its own balance sheet. Ageas SA/NV also underwrites proportional treaties, covering a share of the non-life business of the controlled participations.

The governance of the reinsurance business respects and operates within the Ageas Risk Management Framework and controls on processes follow Group standards.

The table below provides details of risk retention by product line of Ageas (in EUR mio)

2022	Probable Maximum Loss per risk	Probable Maximum Loss per event
Product		
Motor, Third Party liability	5	5
Terrorism	4	38
Property	4	120
General Third Party Liability	5	
Workmen's Compensation	3	3
Personal Accident	3	3

The table shows the highest amount (capped at a 200 years return period) per risk across all entities of the Group for similar covers for which Ageas Group assumes responsibility for mitigating emerging risks; any amount higher than those in the table will be transferred to third party reinsurers for cover. The measurement depends on the type of event covered by these reinsurance agreements: either per single risk or alternatively per event. Additionally, as the catastrophe covers for Motor Hull have been integrated into the property reinsurance treaty, the retention mentioned is the maximum that Ageas Group is exposed to.

For retention per event, we take into account the maximum combined exposure of AIL, AGI and Ageas SA/NV held in retention.

The premiums ceded to reinsurers by product line are presented in Note 30 “Insurance premiums”.

5 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.

5.1 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, with the exception of Interparking, which is proportionally consolidated in Solvency II and fully consolidated in IFRS. Since Q4 2022, the consolidation scope includes Ageas Federal Life Insurance Company Ltd. (AFLIC).

In November 2022, Ageas France received the French Supervisor's agreement to set up Ageas Retraite for their pension business (Fonds de retraite professionnelle supplémentaire). Since Q4 2022, Ageas Retraite is included in the Group's Solvency II scope in accordance with the relevant sectoral rules.

The non-European equity associates are excluded from own funds and required solvency, as the applicable solvency regimes are deemed non-equivalent with Solvency II. Since Q4 2021, AgeSA, the Turkish equity associate purchased in May 2021, is in the scope of group Solvency II calculations. AgeSA provides Ageas with Solvency II calculations that are included pro rata, without any diversification.

In the Partial Internal Model (PIM), Ageas applies transitional measures relating to technical provisions in Portugal and France 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 2022	31 December 2021
IFRS Equity	**8,632**	**14,172**
Shareholders' equity	7,582	11,914
Non-controlling interest	1,050	2,258
Qualifying Subordinated Liabilities	**2,175**	**2,807**
Scope changes at IFRS value	**(4,893)**	**(5,646)**
Exclusion of expected dividend	(270)	(495)
Proportional consolidation	(318)	(295)
Derecognition of Equity Associates	(4,305)	(4,856)
Valuation differences - (unaudited)	**2,210**	**(2,348)**
Revaluation of Property Investments	1,718	1,783
Derecognition of parking concessions	(576)	(407)
Derecognition of goodwill	(602)	(610)
Revaluation of Insurance related balance sheet items - (unaudited) (Technical Provisions, Reinsurance Recoverables, VOBA and DAC)	3,569	(7,036)
Revaluation of assets which, under IFRS are not accounted for at fair value (Held to Maturity Bonds, Loans, Mortgages)	(1,256)	3,384
Tax impact on valuation differences	(851)	521
Other	208	17
Total Solvency II Own Funds - (unaudited)	**8,124**	**8,985**
Non Transferable Own Funds	(987)	(1,029)
Total Eligible Solvency II Own Funds - (unaudited)	**7,137**	**7,956**
Group Required Capital under Partial Internal Model (SCR) - (unaudited)	3,460	4,226
Capital Ratio	**206.3%**	**188.3%**

	31 December 2022	31 December 2021
Total Eligible Solvency II Own Funds, of which - (unaudited):	**7,137**	**7,956**
Tier 1	5,028	5,205
Tier 1 restricted	802	1,164
Tier 2	1,254	1,524
Tier 3	53	63

Own Funds decreased from EUR 7,956 million at Q4 2021 to EUR 7,137 million at Q4 2022 explained mainly by capital transactions (incl., the share buy back, the Fresh transactions and the interim dividend payment) and adverse financial market movements (equities, interest rates and inflation). This was partially offset by the inclusion of AFLIC in the Solvency II scope and the solid operational capital generation.

Non-transferable Own Funds relate to third party interests.

The composition of the capital solvency requirements can be summarised as follows:

	31 December 2022	31 December 2021
Market Risk	4,263	5,000
Counterparty Default Risk	200	323
Life Underwriting Risk	1,681	944
Health Underwriting Risk	322	338
Non-Life Underwriting Risk	966	875
Diversification between above mentioned risks	(2,001)	(1,673)
Non Diversifiable Risks	575	552
Loss-Absorption through Technical Provisions	(1,922)	(1,378)
Loss-Absorption through Deferred Taxes	(624)	(755)
Group Required Capital under Partial Internal Model (SCR) - (unaudited)	**3,460**	**4,226**
Impact of Non-Life Internal Model on Non-Life Underwriting Risk	141	226
Impact of Non-Life Internal Model on Diversification and other risks	(62)	(117)
Impact of Non-Life Internal Model on Loss-Absorption through Deferred Taxes	16	12
Group Required Capital under the SII Standard Formula - (unaudited)	**3,555**	**4,347**

5.2 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 2022	31 December 2021
Group Partial Internal Model SCR	**3,460**	**4,226**
Exclude impact General Account	(79)	(101)
Insurance Partial Internal Model SCR	**3,381**	**4,125**
Impact of Real Estate Internal Model	(125)	(184)
Additional Spread Risk	3	252
Less Diversification	22	(13)
Less adjustment Technical Provision	3	(156)
Less Deferred Tax Loss Mitigation		9
Insurance SCR_{ageas}	**3,284**	**4,033**

	31 December 2022	31 December 2021
Group Eligible Solvency II Own Funds under Partial Internal Model	**7,137**	**7,956**
Exclusion of General Account	(103)	(204)
Revaluation of Technical Provision	(127)	(112)
Recognition of Parking Concessions	499	399
Recalculation of Non Transferable	(171)	(107)
Insurance Eligible Solvency II_{ageas} Own Funds	**7,235**	**7,932**

Insurance SCR_{ageas} decreased from EUR 4,033 million at Q4 2021 to EUR 3,284 million at Q4 2022 mainly explained by the following drivers:

- **Market risk** decreased due to lower equity and real estate risk (reclassifications to long-term equities and improved real estate portfolio risk profile) and financial market movements.(increased interest rates and lower equity markets)
- **Life and non-life underwriting risks** increased mainly due to higher lapserisk (driven by interest rates), higher non-life risk retention in the reinsurance program, and the development of the new Ageas Re business.
- These increases were partially offset model changes as well as by the increase in the Loss Absorbing Capacity of Technical Provisions.

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.

The SCR decreased despite the addition of AFLIC into the Solvency II scope.

	31 December 2022			31 December 2021		
	Own Funds	SCR	Solvency Ratio	Own Funds	SCR	Solvency Ratio
Belgium	5,261	2,182	241.1%	6,116	2,884	212.1%
Europe	1,795	979	183.4%	1,923	1,159	165.9%
Reinsurance	905	441	205.4%	905	405	223.3%
General Account	731	232		904	211	
Elimination / Diversification *	(1,355)	(471)		(1,713)	(531)	
Total Ageas	**7,337**	**3,363**	**218.2%**	**8,135**	**4,128**	**197.1%**

(*) Includes India (AFLIC) since Q4 2022

The Target capital ratio is set at 175% based on SCR_{ageas}.

6

Remuneration and benefits

6.1 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.

	2022	2021
Post-employment benefits - defined benefit plans - pensions	524	727
Other post-employment benefits	88	137
Other long-term employee benefits	14	17
Termination benefits	5	5
Total net defined benefits liabilities (assets)	**631**	**886**

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.

6.1.1 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 2022 (2021: EUR 11 million) and are included in staff expenses (see note 40).

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 (equal to 65%) 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 2022 (1.75% on 1 January 2021).

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
	2022	2021	2022	2021
Present value of funded obligations	190	294		
Present value of unfunded obligations	560	785	88	137
Defined benefit obligation	**750**	**1,079**	**88**	**137**
Fair value of plan assets	(238)	(363)		
	512	**716**	**88**	**137**
Asset ceiling / minimum funding requirement	10	10		
Other amounts recognised in the statement of financial position	2	1		
Net defined benefit liabilities (assets)	**524**	**727**	**88**	**137**
Amounts in the statement of financial position:				
Defined benefit liabilities	576	808	88	137
Defined benefit assets	(52)	(81)		
Net defined benefit liabilities (assets)	**524**	**727**	**88**	**137**

Defined benefit liabilities are classified under accrued interest and other liabilities (see note 24) and defined benefit assets are classified under accrued interest and other assets (see note 15).

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 (2022: EUR 543 million; 2021: EUR 544 million), resulting in a net liability (asset) of EUR (19) million in 2022 (2021: EUR 184 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
	2022	2021	2022	2021
Net defined benefit liabilities (assets) as at 1 January	**727**	**825**	**137**	**153**
Total defined benefit expense	56	58	4	5
Employer's contributions	(4)	(4)		
Participants' contributions paid to the employer	2	2		
Benefits directly paid by the employer	(49)	(40)	(3)	(3)
Foreign exchange differences	1	(2)		
Other	4	1		
Remeasurement	(213)	(113)	(50)	(18)
Net defined benefit liabilities (assets) as at 31 December	**524**	**727**	**88**	**137**

The table below shows the changes in the defined benefit obligation.

		Defined benefit pension plans		Other post-employment benefits
	2022	2021	2022	2021
Defined benefit obligation as at 1 January	**1,079**	**1,169**	**137**	**153**
Current service cost	51	57	3	4
Interest cost	11	5	1	1
Past service cost - vested and non-vested benefits				
Remeasurement	(320)	(112)	(50)	(18)
Participants' contributions paid to the employer	2	2		
Benefits paid	(11)	(18)		
Benefits directly paid by the employer	(49)	(40)	(3)	(3)
Foreign exchange differences	(13)	16		
Defined benefit obligation as at 31 December	**750**	**1,079**	**88**	**137**

The following table shows the changes in the fair value of plan assets.

Defined benefit pension plans	2022	2021
Fair value of plan assets as at 1 January	**363**	**353**
Interest income	6	4
Remeasurement (return on plan assets, excluding effect of interest rate)	(107)	3
Employer's contributions	3	2
Benefits paid	(10)	(16)
Foreign exchange differences	(14)	18
Other	(3)	(1)
Fair value of plan assets as at 31 December	**238**	**363**

The following table shows the changes in the asset ceiling and/or minimum funding requirement.

	2022	2021
Asset ceiling / minimum funding requirement as at 1 January	**10**	**8**
Remeasurement		2
Asset ceiling / minimum funding requirement as at 31 December	**10**	**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	
	2022	2021	2022	2021
Current service cost	51	57	3	4
Net interest cost	5	1	1	1
Past service cost - vested and non-vested benefits				
Settlements				
Total defined benefit expense	**56**	**58**	**4**	**5**

Net interest cost and other are included in financing costs (see note 37). All other items are included in staff expenses (see note 40).

The following table shows the composition of remeasurements for the year ended 31 December.

	Defined benefit pension plans		Other post-employment benefits	
	2022	2021	2022	2021
Return on plan assets, excluding effect of interest rate	107	(3)		
Remeasurement on asset ceiling / minimum funding requirement		2		
Actuarial (gains) losses with regard to:				
change in demographic assumptions	(14)	(7)	5	
change in financial assumptions	(306)	(86)	(53)	(16)
experience adjustments	0	(19)	(2)	(2)
Remeasurement on net defined liability (asset)	**(213)**	**(113)**	**(50)**	**(18)**

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.

2022	Defined benefit pension plans	Other post-employment benefits
Weighted average duration of defined benefit obligation	13	21

The following table shows the principal actuarial assumptions made for the eurozone countries.

	Defined benefit pension plans				Other post-employment benefits			
	2022		2021		2022		2021	
	Low	High	Low	High	Low	High	Low	High
Discount rate	3.8%	4.1%	0.3%	1.1%	3.9%	4.0%	1.0%	1.2%
Future salary increases (price inflation included)	2.9%	5.9%	1.5%	4.2%				
Future pension increases (price inflation included)	2.2%	3.4%	1.5%	1.8%				
Medical cost trend rates					2.0%	4.1%	2.0%	3.8%

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 3.80% to 4.10%. The future salary increases varied in 2022 from 2.90% for the older employee group to 5.80% for the younger ones.

The following table shows the principal actuarial assumptions made for other countries.

Defined benefit pension plans	2022	2021
Discount rate	4.8%	1.8%
Future salary increases (price inflation included)		

The eurozone represents 83% 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	
	2022	2021	2022	2021
Defined benefit obligation	750	1,079	88	137
Effect of changes in assumed discount rate:				
One-percent increase	(11.0%)	(13.0%)	(16.8%)	(19.3%)
One-percent decrease	12.3%	16.1%	18.3%	25.3%
Effect of changes in assumed future salary increase:				
One-percent increase	12.8%	12.4%		
One-percent decrease	(10.6%)	(10.2%)		
Effect of changes in assumed pension increase:				
One-percent increase	8.4%	9.0%		
One-percent decrease	(7.3%)	(7.8%)		

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	
	2022	2021
Defined benefit obligation	88	136
Effect of changes in assumed medical costs and trend rates:		
One-percent increase	20.3%	26.9%
One-percent decrease	(15.9%)	(20.0%)

The asset mix of the plan assets for pension obligations is as follows.

	31 December 2022	%	31 December 2021	%
Equity securities	33	13.9%	41	11.3%
Debt securities	151	63.3%	230	63.4%
Insurance contracts	24	10.1%	27	7.4%
Real estate	24	10.1%	29	8.0%
Cash	3	1.3%	4	1.1%
Other	3	1.3%	32	8.8%
Total	238	100.0%	363	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 2022	%	31 December 2021	%
Equity securities	40	7.4%	39	7.2%
Debt securities	430	79.2%	431	79.2%
Real estate	55	10.1%	58	10.7%
Convertible bonds	14	2.6%	13	2.4%
Cash	4	0.7%	3	0.5%
Total	**543**	**100.0%**	**544**	**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 2022 are as follows.

	Defined benefit pension plans
Expected contribution next year to plan assets	
Expected contribution next year to unqualified plan assets	32

6.1.2 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 accrued interest and other liabilities (see note 24).

	2022	2021
Defined benefit obligation	14	17
Net defined benefit liabilities (assets)	**14**	**17**

The following table shows the changes in liabilities for other long-term employee benefits during the year.

	2022	2021
Net liability as at 1 January	17	18
Total expense	(2)	
Benefits directly paid by the employer	(1)	(1)
Net liability as at 31 December	14	17

The table below provides the range of actuarial assumptions applied when calculating the liabilities for other long-term employee benefits.

		2022		2021
	Low	High	Low	High
Discount rate	3.17%	3.82%	0.32%	0.70%
Future salary increases	3.00%	5.90%	2.10%	4.20%

Expenses related to other long-term employee benefits are shown below. Interest cost is included in financing costs (see note 37), all other expenses are included in staff expenses (see note 40).

	2022	2021
Current service cost	1	1
Net actuarial losses (gains) recognised immediately	(3)	(1)
Total expense	**(2)**	

6.1.3 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 accrued interest and other liabilities (see note 24).

	2022	2021
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.

	2022	2021
Net liability as at 1 January	**5**	**4**
Total expense	1	2
Benefits directly paid by the employer	(1)	(1)
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 37). All other expenses are included in staff expenses (see note 40).

	2022	2021
Current service cost	1	2
Total expense	**1**	**2**

6.2 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.

6.2.1 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 after a period of 3.5 years after grant. 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 KPI's. 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.6.7.

For 2018 a total of 35,612 performance shares were committed to be granted, 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 are committed to be granted to the Executive and Management Committee Members.

The table below shows the changes in commitments of restricted shares during the year for ExCo and Mco Members.

(number of shares in '000)	2023	2022
Number of shares newly granted	43	
Number of restricted shares committed to be granted as at 1 March	**201**	**194**
Restricted shares (cancelled)		
Restricted shares vested		(36)
Number of restricted shares committed to be granted as at 31 December		**158**

6.2.2 Share-linked incentives

In 2020, 2021 and 2022 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 135,480 Ageas shares on 1 April 2023 (plan 2020);
- 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).

The liability of these cash-settled transactions is determined at fair value at each reporting date.

7 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 2022, 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.

During financial year 2022, no transactions took place within the Ageas group which triggered the application of the procedure.

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.

	2022	2021
Income statement - related parties		
Interest income	17	13
Insurance premiums	37	42
Fee and commission income	5	6
Realised gains		15
Other income	4	6
Change in provision for insurance and investment contracts	(16)	(26)
Fee and commission expenses	(38)	(35)

	2022	2021
Statement of financial position - related parties		
Financial Investments	57	63
Reinsurance share, trade and other receivables	52	52
Related party loans	488	482
Other assets	9	2
Liabilities arising from insurance and investment contracts	62	45
Debt certificates, subordinated liabilities and other borrowings	2	4
Other liabilities	9	13

The changes in loans to related parties during the year ended 31 December are as follows.

	2022	2021
Related party loans as at 1 January	**482**	**433**
Additions or advances	26	62
Repayments	(15)	(13)
Foreign exchange differences and other	(5)	
Related party loans as at 31 December	**488**	**482**

8 Information on operating segments

8.1 General information

Operating segments
Ageas is organised in five operating segments:
- Belgium;
- Europe (excluding Belgium);
- Asia;
- Reinsurance; and
- General Account.

Ageas has decided 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.

8.2 Belgium

The Belgian insurance activities, operating under the name of AG Insurance, have a longstanding history. AG Insurance owns 100% of AG Real Estate, which manages AG's real estate activities.

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.

8.3 Europe (excluding Belgium)

Europe consists of the insurance activities of Ageas in Europe, excluding Belgium. Ageas is active in Portugal, UK, France 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.

8.4 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 AFLIC which is fully consolidated since 2022.

8.5
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.

8.6
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).

8.7
Statement of financial position by operating segment

31 December 2022	Belgium	Europe	Asia	Reinsurance	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
Assets									
Cash and cash equivalents	576	288	71	59		994	159		1,153
Financial investments	38,058	6,334	1,097	1,322	(1)	46,810	94	(2)	46,902
Investment property	2,684	346				3,030			3,030
Loans	14,528	293	34	77		14,932	1,465	(864)	15,533
Investments related to unit-linked contracts	11,055	4,274	466			15,795			15,795
Equity accounted investments	446	271	4,191			4,908	1	(1)	4,908
Reinsurance and other receivables	1,500	1,971	22	149	(1,632)	2,010	95	(112)	1,993
Current tax assets	23	96	18		1	138			138
Deferred tax assets	820	98	1		(1)	918			918
Accrued interest and other assets	1,423	250	40	139	(1)	1,851	197	(107)	1,941
Property, plant and equipment	2,080	104	16			2,200	26	1	2,227
Goodwill and other intangible assets	724	703	134			1,561			1,561
Assets held for sale		4,205				4,205			4,205
Total assets	**73,917**	**19,233**	**6,090**	**1,746**	**(1,634)**	**99,352**	**2,037**	**(1,085)**	**100,304**
Liabilities									
Liabilities arising from Life insurance contracts	23,855	574	1,109	2		25,540		(18)	25,522
Liabilities arising from Life investment contracts	24,524	4,176				28,700			28,700
Liabilities related to unit-linked contracts	11,055	4,280	466			15,801			15,801
Liabilities arising from Non-life insurance contracts	4,426	3,317		1,712	(1,579)	7,876			7,876
Subordinated liabilities	1,144	255				1,399	1,887	(769)	2,517
Borrowings	3,803	30	2		(1)	3,834	17	(39)	3,812
Current tax liabilities	29	(14)	16			31			31
Deferred tax liabilities	337	38	1			376	22		398
RPN(I)							334		334
Accrued interest and other liabilities	2,058	439	35	135	(52)	2,615	272	(203)	2,684
Provisions	39	31				70	1		71
Liabilities related to assets held for sale		3,982			(1)	3,981		(55)	3,926
Total liabilities	**71,270**	**17,108**	**1,629**	**1,849**	**(1,633)**	**90,223**	**2,533**	**(1,084)**	**91,672**
Shareholders' equity	1,747	2,043	4,394	(103)	(1)	8,080	(496)	(2)	7,582
Non-controlling interests	900	82	67			1,049		1	1,050
Total equity	**2,647**	**2,125**	**4,461**	**(103)**	**(1)**	**9,129**	**(496)**	**(1)**	**8,632**
Total liabilities and equity	**73,917**	**19,233**	**6,090**	**1,746**	**(1,634)**	**99,352**	**2,037**	**(1,085)**	**100,304**
Number of employees	**7,369**	**3,583**	**2,251**			**13,203**	**185**		**13,388**

31 December 2021	Belgium	Europe	Asia	Reinsurance	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
Assets									
Cash and cash equivalents	655	405	4	149		1,213	724		1,937
Financial investments	47,331	11,161		1,458		59,950	5	(3)	59,952
Investment property	2,850	268			(1)	3,117			3,117
Loans	13,582	381		85	(1)	14,047	1,315	(870)	14,492
Investments related to unit-linked contracts	12,387	6,512				18,899			18,899
Equity accounted investments	370	146	4,811			5,327	2	(1)	5,328
Reinsurance and other receivables	1,353	2,119	9	151	(1,575)	2,057	203	(111)	2,149
Current tax assets	19	34				53			53
Deferred tax assets	18	82				100			100
Accrued interest and other assets	1,493	354		153	(13)	1,987	154	(102)	2,039
Property, plant and equipment	1,612	110	2			1,724	8		1,732
Goodwill and other intangible assets	604	718				1,322			1,322
Assets held for sale	19					19			19
Total assets	**82,293**	**22,290**	**4,826**	**1,996**	**(1,590)**	**109,815**	**2,411**	**(1,087)**	**111,139**
Liabilities									
Liabilities arising from Life insurance contracts	25,008	3,669		13	(2)	28,688		(15)	28,673
Liabilities arising from Life investment contracts	25,609	5,008				30,617			30,617
Liabilities related to unit-linked contracts	12,387	6,515			(1)	18,901			18,901
Liabilities arising from Non-life insurance contracts	4,345	3,449		1,643	(1,548)	7,889			7,889
Subordinated liabilities	1,143	317				1,460	2,118	(830)	2,748
Borrowings	3,608	45	2		(5)	3,650	6	(40)	3,616
Current tax liabilities	33	(17)				16			16
Deferred tax liabilities	878	77			1	956	15		971
RPN(I)							520		520
Accrued interest and other liabilities	2,250	509	9	170	(35)	2,903	131	(200)	2,834
Provisions	38	30				68	114		182
Total liabilities	**75,299**	**19,602**	**11**	**1,826**	**(1,590)**	**95,148**	**2,904**	**(1,085)**	**96,967**
Shareholders' equity	5,025	2,400	4,815	170	3	12,413	(493)	(6)	11,914
Non-controlling interests	1,969	288			(3)	2,254		4	2,258
Total equity	**6,994**	**2,688**	**4,815**	**170**		**14,667**	**(493)**	**(2)**	**14,172**
Total liabilities and equity	**82,293**	**22,290**	**4,826**	**1,996**	**(1,590)**	**109,815**	**2,411**	**(1,087)**	**111,139**
Number of employees	**6,111**	**3,752**	**69**			**9,932**	**169**		**10,101**

8.9
Income statement by operating segment

2022	Belgium	Europe	Asia	Reinsurance	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
Income									
- *Gross premium income*	*5,831*	*2,951*	*71*	*1,576*	*(1,497)*	*8,932*		*(2)*	*8,930*
- *Change in unearned premiums*	*(23)*	*79*		*15*	*(27)*	*44*		*(1)*	*43*
- *Ceded earned premiums*	*(853)*	*(1,013)*	*(1)*	*(91)*	*1,492*	*(466)*			*(466)*
Net earned premiums	4,955	2,017	70	1,500	(32)	8,510		(3)	8,507
Interest, dividend and other investment income	2,386	208	25	23	(1)	2,641	45	(38)	2,648
Unrealised gain (loss) on RPN(I)							139		139
Result on sales and revaluations	313	103	50	(1)		465	155	1	621
Income related to investments for unit-linked contracts	(1,844)	(697)	14		1	(2,526)			(2,526)
Share in result of equity accounted investments	17	(9)	253			261			261
Fee and commission income	500	436	1	7	(507)	437			437
Other income	236	73				309	13	(26)	296
Total income	**6,563**	**2,131**	**413**	**1,529**	**(539)**	**10,097**	**352**	**(66)**	**10,383**
Expenses									
- *Insurance claims and benefits, gross*	*(5,468)*	*(2,110)*	*(87)*	*(993)*	*923*	*(7,735)*		*3*	*(7,732)*
- *Insurance claims and benefits, ceded*	*536*	*570*	*(1)*	*39*	*(896)*	*248*			*248*
Insurance claims and benefits, net	(4,932)	(1,540)	(88)	(954)	27	(7,487)		3	(7,484)
Charges related to unit-linked contracts	1,721	655	(3)			2,373			2,373
Financing costs	(134)	(19)		(1)		(154)	(72)	39	(187)
Change in impairments	(119)	(20)	(28)			(167)			(167)
Change in provisions	2					2	4		6
Fee and commission expenses	(704)	(406)	(4)	(530)	506	(1,138)			(1,138)
Staff expenses	(622)	(234)	(31)	(2)		(889)	(36)	3	(922)
Other expenses	(967)	(375)	(13)	(11)	6	(1,360)	(74)	22	(1,412)
Total expenses	**(5,755)**	**(1,939)**	**(167)**	**(1,498)**	**539**	**(8,820)**	**(178)**	**67**	**(8,931)**
Result before taxation	**808**	**192**	**246**	**31**		**1,277**	**174**	**1**	**1,452**
Tax income (expenses)	(169)	(38)	(1)			(208)	(21)		(229)
Net result for the period	**639**	**154**	**245**	**31**		**1,069**	**153**	**1**	**1,223**
Attributable to non-controlling interests	175	37				212			212
Net result attributable to shareholders	**464**	**117**	**245**	**31**		**857**	**153**	**1**	**1,011**
Total income from external customers	6,917	2,739	413			10,069	314		10,383
Total income internal	(354)	(608)		1,529	(539)	28	38	(66)	
Total income	**6,563**	**2,131**	**413**	**1,529**	**(539)**	**10,097**	**352**	**(66)**	**10,383**

Gross inflow (sum of gross written premiums and premium inflow from investment contracts without discretionary participation features) can be presented as follows.

2022	Belgium	Europe	Asia	Reinsurance	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
Gross premium income	5,831	2,951	71	1,576	(1,497)	8,932		(2)	8,930
Inflow deposit accounting	778	561				1,339			1,339
Gross inflow	**6,609**	**3,512**	**71**	**1,576**	**(1,497)**	**10,271**		**(2)**	**10,269**

2021	Belgium	Europe	Asia	Reinsurance	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
Income									
- *Gross premium income*	*5,748*	*3,181*		*1,623*	*(1,571)*	*8,981*		*(2)*	*8,979*
- *Change in unearned premiums*	*(8)*	*22*		*(61)*	*62*	*15*		*(1)*	*14*
- *Ceded earned premiums*	*(806)*	*(1,050)*		*(83)*	*1,479*	*(460)*			*(460)*
Net earned premiums	4,934	2,153		1,479	(30)	8,536		(3)	8,533
Interest, dividend and other investment income	2,186	219		21		2,426	38	(37)	2,427
Unrealised gain (loss) on RPN(I)							(101)		(101)
Result on sales and revaluations	240	53		3		296	(4)	2	294
Income related to investments for unit-linked contracts	1,062	344				1,406			1,406
Share in result of equity accounted investments	14	21	429		(1)	463	1		464
Fee and commission income	506	488		7	(534)	467			467
Other income	234	63			(1)	296	8	(22)	282
Total income	**9,176**	**3,341**	**429**	**1,510**	**(566)**	**13,890**	**(58)**	**(60)**	**13,772**
Expenses									
- *Insurance claims and benefits, gross*	*(5,574)*	*(2,121)*		*(892)*	*827*	*(7,760)*		*3*	*(7,757)*
- *Insurance claims and benefits, ceded*	*513*	*539*		*35*	*(801)*	*286*			*286*
Insurance claims and benefits, net	(5,061)	(1,582)		(857)	26	(7,474)		3	(7,471)
Charges related to unit-linked contracts	(1,167)	(405)				(1,572)			(1,572)
Financing costs	(88)	(18)		(1)	1	(106)	(68)	36	(138)
Change in impairments	(38)	(3)				(41)			(41)
Change in provisions	2					2	13		15
Fee and commission expenses	(718)	(472)		(558)	535	(1,213)			(1,213)
Staff expenses	(560)	(237)	(22)	(2)	0	(821)	(35)	4	(852)
Other expenses	(872)	(351)	(4)	(5)	4	(1,228)	(60)	19	(1,269)
Total expenses	**(8,502)**	**(3,068)**	**(26)**	**(1,423)**	**566**	**(12,453)**	**(150)**	**62**	**(12,541)**
Result before taxation	**674**	**273**	**403**	**87**		**1,437**	**(208)**	**2**	**1,231**
Tax income (expenses)	(136)	(59)			(1)	(196)	(19)		(215)
Net result for the period	**538**	**214**	**403**	**87**	**(1)**	**1,241**	**(227)**	**2**	**1,016**
Attributable to non-controlling interests	138	34			(1)	171			171
Net result attributable to shareholders	**400**	**180**	**403**	**87**		**1,070**	**(227)**	**2**	**845**
Total income from external customers	9,502	3,937	429		0	13,868	(96)		13,772
Total income internal	(326)	(596)		1,510	(566)	22	38	(60)	
Total income	**9,176**	**3,341**	**429**	**1,510**	**(566)**	**13,890**	**(58)**	**(60)**	**13,772**

Gross inflow (sum of gross written premiums and premium inflow from investment contracts without discretionary participation features) can be presented as follows.

2021	Belgium	Europe	Asia	Reinsurance	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
Gross premium income	5,748	3,181		1,623	(1,571)	8,981		(2)	8,979
Inflow deposit accounting	927	900			(1)	1,826			1,826
Gross inflow	**6,675**	**4,081**		**1,623**	**(1,572)**	**10,807**		**(2)**	**10,805**

8.10
Statement of financial position split into Life and Non-life

31 December 2022	Life	Non-life	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
Assets							
Cash and cash equivalents	680	314		994	159		1,153
Financial investments	40,640	6,170		46,810	94	(2)	46,902
Investment property	2,799	231		3,030			3,030
Loans	13,693	1,279	(40)	14,932	1,465	(864)	15,533
Investments related to unit-linked contracts	15,795			15,795			15,795
Equity accounted investments	4,098	810		4,908	1	(1)	4,908
Reinsurance and other receivables	419	1,882	(291)	2,010	95	(112)	1,993
Current tax assets	103	35		138			138
Deferred tax assets	683	235		918			918
Accrued interest and other assets	1,296	558	(3)	1,851	197	(107)	1,941
Property, plant and equipment	1,858	342		2,200	26	1	2,227
Goodwill and other intangible assets	1,190	371		1,561			1,561
Assets held for sale	4,205			4,205			4,205
Total assets	**87,459**	**12,227**	**(334)**	**99,352**	**2,037**	**(1,085)**	**100,304**
Liabilities							
Liabilities arising from Life insurance contracts	25,540			25,540		(18)	25,522
Liabilities arising from Life investment contracts	28,700			28,700			28,700
Liabilities related to unit-linked contracts	15,801			15,801			15,801
Liabilities arising from Non-life insurance contracts		7,876		7,876			7,876
Subordinated liabilities	1,052	388	(41)	1,399	1,887	(769)	2,517
Borrowings	3,437	397		3,834	17	(39)	3,812
Current tax liabilities	26	6	(1)	31			31
Deferred tax liabilities	224	153	(1)	376	22		398
RPN(I)					334		334
Accrued interest and other liabilities	2,050	855	(290)	2,615	272	(203)	2,684
Provisions	28	42		70	1		71
Liabilities related to assets held for sale	3,981			3,981		(55)	3,926
Total liabilities	**80,839**	**9,717**	**(333)**	**90,223**	**2,533**	**(1,084)**	**91,672**
Shareholders' equity	5,692	2,393	(5)	8,080	(496)	(2)	7,582
Non-controlling interests	928	117	4	1,049		1	1,050
Total equity	**6,620**	**2,510**	**(1)**	**9,129**	**(496)**	**(1)**	**8,632**
Total liabilities and equity	**87,459**	**12,227**	**(334)**	**99,352**	**2,037**	**(1,085)**	**100,304**
Number of employees	**7,305**	**5,898**		**13,203**	**185**		**13,388**

31 December 2021	Life	Non-life	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
Assets							
Cash and cash equivalents	773	440		1,213	724		1,937
Financial investments	52,720	7,229	1	59,950	5	(3)	59,952
Investment property	2,908	209		3,117			3,117
Loans	12,704	1,382	(39)	14,047	1,315	(870)	14,492
Investments related to unit-linked contracts	18,899			18,899			18,899
Equity accounted investments	4,535	792		5,327	2	(1)	5,328
Reinsurance and other receivables	457	1,959	(359)	2,057	203	(111)	2,149
Current tax assets	23	30		53			53
Deferred tax assets	42	58		100			100
Accrued interest and other assets	1,153	836	(2)	1,987	154	(102)	2,039
Property, plant and equipment	1,411	314	(1)	1,724	8		1,732
Goodwill and other intangible assets	968	353	1	1,322			1,322
Assets held for sale	17	1	1	19			19
Total assets	**96,610**	**13,603**	**(398)**	**109,815**	**2,411**	**(1,087)**	**111,139**
Liabilities							
Liabilities arising from Life insurance contracts	28,688			28,688		(15)	28,673
Liabilities arising from Life investment contracts	30,617			30,617			30,617
Liabilities related to unit-linked contracts	18,901			18,901			18,901
Liabilities arising from Non-life insurance contracts		7,889		7,889			7,889
Subordinated liabilities	1,101	399	(40)	1,460	2,118	(830)	2,748
Borrowings	3,269	381		3,650	6	(40)	3,616
Current tax liabilities	7	9		16			16
Deferred tax liabilities	768	188		956	15		971
RPN(I)					520		520
Accrued interest and other liabilities	2,239	1,021	(357)	2,903	131	(200)	2,834
Provisions	29	39		68	114		182
Total liabilities	**85,619**	**9,926**	**(397)**	**95,148**	**2,904**	**(1,085)**	**96,967**
Shareholders' equity	9,076	3,338	(1)	12,413	(493)	(6)	11,914
Non-controlling interests	1,915	339		2,254		4	2,258
Total equity	**10,991**	**3,677**	**(1)**	**14,667**	**(493)**	**(2)**	**14,172**
Total liabilities and equity	**96,610**	**13,603**	**(398)**	**109,815**	**2,411**	**(1,087)**	**111,139**
Number of employees	**3,969**	**5,962**		**9,932**	**169**		**10,101**

8.11
Income statement split into Life and Non-life

2022	Life	Non-life	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
Income							
- *Gross premium income*	*4,293*	*4,640*	*(1)*	*8,932*		*(2)*	*8,930*
- *Change in unearned premiums*		*44*		*44*		*(1)*	*43*
- *Ceded earned premiums*	*(17)*	*(450)*	*1*	*(466)*			*(466)*
Net earned premiums	4,276	4,234		8,510		(3)	8,507
Interest, dividend and other investment income	2,377	281	(17)	2,641	45	(38)	2,648
Unrealised gain (loss) on RPN(I)					139		139
Result on sales and revaluations	353	112		465	155	1	621
Income related to investments for unit-linked contracts	(2,526)			(2,526)			(2,526)
Share in result of equity accounted investments	254	7		261			261
Fee and commission income	302	135		437			437
Other income	214	97	(2)	309	13	(26)	296
Total income	**5,250**	**4,866**	**(19)**	**10,097**	**352**	**(66)**	**10,383**
Expenses							
- *Insurance claims and benefits, gross*	*(4,822)*	*(2,913)*		*(7,735)*		*3*	*(7,732)*
- *Insurance claims and benefits, ceded*	*17*	*232*	*(1)*	*248*			*248*
Insurance claims and benefits, net	(4,805)	(2,681)	(1)	(7,487)		3	(7,484)
Charges related to unit-linked contracts	2,373			2,373			2,373
Financing costs	(128)	(28)	2	(154)	(72)	39	(187)
Change in impairments	(123)	(44)		(167)			(167)
Change in provisions	1	1		2	4		6
Fee and commission expenses	(349)	(789)		(1,138)			(1,138)
Staff expenses	(485)	(404)		(889)	(36)	3	(922)
Other expenses	(801)	(577)	18	(1,360)	(74)	22	(1,412)
Total expenses	**(4,317)**	**(4,522)**	**19**	**(8,820)**	**(178)**	**67**	**(8,931)**
Result before taxation	**933**	**344**		**1,277**	**174**	**1**	**1,452**
Tax income (expenses)	(140)	(68)		(208)	(21)		(229)
Net result for the period	**793**	**276**		**1,069**	**153**	**1**	**1,223**
Attributable to non-controlling interests	161	51		212			212
Net result attributable to shareholders	**632**	**225**		**857**	**153**	**1**	**1,011**
Total income from external customers	5,220	4,863	(14)	10,069	314		10,383
Total income internal	30	3	(5)	28	38	(66)	
Total income	**5,250**	**4,866**	**(19)**	**10,097**	**352**	**(66)**	**10,383**

Gross inflow (sum of gross written premiums and premium inflow of investment contracts without Discretionary Participation Features) can be presented as follows.

2022	Life	Non-life	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
Gross premium income	4,293	4,640	(1)	8,932		(2)	8,930
Inflow deposit accounting	1,338		1	1,339			1,339
Gross inflow	**5,631**	**4,640**		**10,271**		**(2)**	**10,269**

2021	Life	Non-life	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
Income							
- *Gross premium income*	*4,392*	*4,589*		*8,981*		*(2)*	*8,979*
- *Change in unearned premiums*		*14*	*1*	*15*		*(1)*	*14*
- *Ceded earned premiums*	*(28)*	*(432)*		*(460)*			*(460)*
Net earned premiums	4,364	4,171	1	8,536		(3)	8,533
Interest, dividend and other investment income	2,179	263	(16)	2,426	38	(37)	2,427
Unrealised gain (loss) on RPN(I)					(101)		(101)
Result on sales and revaluations	246	50		296	(4)	2	294
Income related to investments for unit-linked contracts	1,406			1,406			1,406
Share in result of equity accounted investments	413	51	(1)	463	1		464
Fee and commission income	339	127	1	467			467
Other income	203	94	(1)	296	8	(22)	282
Total income	**9,150**	**4,756**	**(16)**	**13,890**	**(58)**	**(60)**	**13,772**
Expenses							
- *Insurance claims and benefits, gross*	*(4,914)*	*(2,847)*	*1*	*(7,760)*		*3*	*(7,757)*
- *Insurance claims and benefits, ceded*	*17*	*269*		*286*			*286*
Insurance claims and benefits, net	(4,897)	(2,578)	1	(7,474)		3	(7,471)
Charges related to unit-linked contracts	(1,572)			(1,572)			(1,572)
Financing costs	(82)	(26)	2	(106)	(68)	36	(138)
Change in impairments	(41)			(41)			(41)
Change in provisions	2	1	(1)	2	13		15
Fee and commission expenses	(410)	(803)		(1,213)			(1,213)
Staff expenses	(417)	(404)		(821)	(35)	4	(852)
Other expenses	(700)	(541)	13	(1,228)	(60)	19	(1,269)
Total expenses	**(8,117)**	**(4,351)**	**15**	**(12,453)**	**(150)**	**62**	**(12,541)**
Result before taxation	**1,033**	**405**	**(1)**	**1,437**	**(208)**	**2**	**1,231**
Tax income (expenses)	(145)	(51)		(196)	(19)		(215)
Net result for the period	**888**	**354**	**(1)**	**1,241**	**(227)**	**2**	**1,016**
Attributable to non-controlling interests	145	26		171			171
Net result attributable to shareholders	**743**	**328**	**(1)**	**1,070**	**(227)**	**2**	**845**
Total income from external customers	9,124	4,754	(10)	13,868	(96)		13,772
Total income internal	26	2	(6)	22	38	(60)	
Total income	**9,150**	**4,756**	**(16)**	**13,890**	**(58)**	**(60)**	**13,772**

Gross inflow (sum of gross written premiums and premium inflow of investment contracts without Discretionary Participation Features) can be presented as follows.

2021	Life	Non-life	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
Gross premium income	4,392	4,589		8,981		(2)	8,979
Inflow deposit accounting	1,826			1,826			1,826
Gross inflow	**6,218**	**4,589**		**10,807**		**(2)**	**10,805**

8.12
Operating result insurance

To analyse the insurance results, Ageas uses the concept of operating result.

Operating result includes net earned premiums, fees and allocated investment income and realised capital gains or losses minus net claims and benefits and all operating expenses, including claim handling expenses, investment expenses, commissions and other expenses, allocated to insurance and/or investment contracts. The difference between operating result and result before taxation consists of all income and costs not allocated to insurance and/or investment contracts and thus not reported in the operating result or result from non-consolidated partnerships. The definitions of the alternative performance measures are explained below the tables.

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 investment contracts with and without discretionary participation features (DPF). Non-life comprises four lines of business: Accident & Health, Motor, Fire and Other damage to property (covering the risk of property losses or claims liabilities), and Other.

The operating margin for the different segments and lines of business and the reconciliation to profit before taxation are shown below.

2022	Belgium	Europe	Asia	Reinsurance	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total Ageas
Gross inflow Life	4,206	1,355	71	30	(31)	5,631			5,631
Gross inflow Non-life	2,403	2,157		1,546	(1,466)	4,640		(2)	4,638
Operating costs	(642)	(447)	(11)	(5)	3	(1,102)			(1,102)
- *Guaranteed products*	*414*	*81*	*2*		*(1)*	*496*			*496*
- *Unit linked products*	*55*	*19*				*74*			*74*
Life operating result	469	100	2		(1)	570			570
- *Accident & Health*	*39*	*41*		*7*		*87*			*87*
- *Motor*	*76*	*51*		*6*	*(29)*	*104*			*104*
- *Fire and other damage to property*	*72*	*(33)*		*8*	*3*	*50*			*50*
- *Other*	*40*	*(9)*		*10*	*5*	*46*		*2*	*48*
Non-life operating result	227	50		*31*	(21)	*287*		2	289
Operating result	**696**	**150**	**2**	**31**	**(22)**	**857**		**2**	**859**
Share in result of equity accounted investments non allocated		(16)	235			219			219
Other result, including brokerage	112	58	9		22	201	174	(1)	374
Result before taxation	**808**	**192**	**246**	**31**		**1,277**	**174**	**1**	**1,452**
Key performance indicators Life									
Net underwriting margin	0.01%	0.33%	(4.92%)	(3.01%)		(0.04%)			(0.04%)
Investment margin	0.77%	0.39%	5.29%			0.80%			0.80%
Operating margin	0.78%	0.72%	0.37%	(3.01%)		0.76%			0.76%
- *Operating margin Guaranteed products*	*0.89%*	*1.05%*	*0.61%*	*(3.01%)*		*0.91%*			*0.91%*
- *Operating margin Unit linked products*	*0.41%*	*0.31%*	*(0.19%)*			*0.36%*			*0.36%*
Life cost ratio in % of Life technical liabilities (annualised)	0.43%	0.57%	2.68%	9.82%		0.51%			0.51%
Key performance indicators Non-life									
Expense ratio	34.0%	32.0%		36.4%		34.3%			34.3%
Claims ratio	58.0%	66.4%		62.9%		62.2%			62.2%
Combined ratio	92.0%	98.4%		99.3%		96.5%			96.5%
Operating margin	14.8%	4.1%		2.1%		6.8%			6.8%
Technical Insurance liabilities	63,860	12,347	1,575	1,714	(1,579)	77,917		(18)	77,899

2021	Belgium	Europe	Asia	Reinsurance	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total Ageas
Gross inflow Life	4,366	1,853		44	(45)	6,218			6,218
Gross inflow Non-life	2,309	2,228		1,579	(1,527)	4,589		(2)	4,587
Operating costs	(623)	(437)		(3)	2	(1,061)			(1,061)
- *Guaranteed products*	*448*	*89*		*1*	*1*	*539*			*539*
- *Unit linked products*	*49*	*21*				*70*			*70*
Life operating result	497	110		1	1	609			609
- *Accident & Health*	*41*	*38*		*6*	*(1)*	*84*			*84*
- *Motor*	*157*	*87*		*37*	*(17)*	*264*			*264*
- *Fire and other damage to property*	*(142)*	*19*		*22*	*(10)*	*(111)*			*(111)*
- *Other*	*69*	*1*		*21*	*6*	*97*		2	*99*
Non-life operating result	125	145		86	(22)	334		2	336
Operating result	**622**	**255**		**87**	**(21)**	**943**		2	**945**
Share in result of equity accounted investments non allocated		11	427		(1)	437	1		438
Other result, including brokerage	52	7	(24)		22	57	(209)		(152)
Result before taxation	**674**	**273**	**403**	**87**		**1,437**	**(208)**	**2**	**1,231**
Key performance indicators Life									
Net underwriting margin	0.01%	0.40%		13.29%		0.10%			0.10%
Investment margin	0.82%	0.35%				0.72%			0.72%
Operating margin	0.83%	0.75%		13.29%		0.82%			0.82%
- *Operating margin Guaranteed products*	*0.97%*	*1.08%*		*13.29%*		*0.99%*			*0.99%*
- *Operating margin Unit linked products*	*0.37%*	*0.32%*				*0.35%*			*0.35%*
Life cost ratio in % of Life technical liabilities (annualised)	0.41%	0.49%		6.40%		0.43%			0.43%
Key performance indicators Non-life									
Expense ratio	33.2%	61.6%		38.4%		34.8%			34.8%
Claims ratio	65.0%	118.3%		57.2%		60.6%			60.6%
Combined ratio	98.2%	179.9%		95.6%		95.4%			95.4%
Operating margin	8.3%	25.8%		6.0%		8.0%			8.1%
Technical Insurance liabilities	67,349	18,641		1,656	(1,551)	86,095		(15)	86,080

Definitions of alternative performance measures in the tables:

Net underwriting result	:	The difference between the net earned premiums and the sum of the actual claim payments and the change in insurance liabilities, both net of reinsurance. The result is presented net of allocated claim handling expenses, general expenses, commissions and reinsurance.
Net underwriting margin	:	For Life the net annualised underwriting result divided by the average net Life insurance liabilities during the reporting period. For Non-life the net underwriting result divided by the net earned premium.
Net investment result	:	The sum of investment income and realised capital gains or losses on assets covering insurance liabilities, after deduction of related investment expenses. The investment results in Life is also adjusted for the amount that is allocated to the policyholders as technical interest and profit sharing. The investment results in Accident & Life (part of Non-life) is also corrected for the technical interest that has been accrued to the insurance liabilities.
Net investment margin	:	For Life the annualised investment result divided by the average net Life insurance liabilities during the reporting period. For Non-life the investment result divided by the net earned premium.
Net operating result	:	The sum of net underwriting result, investment result and other result allocated to the insurance and/or investment contracts. The difference between operating result and result before taxation consists of all income and costs not allocated to the insurance and/or investment contracts and thus not reported in the operating result or result from non-consolidated partnerships.
Net operating margin	:	For Life the annualised operating result of the period divided by the average net Life insurance liabilities. For Non-life the operating result divided by the net earned premium.
Net earned premium	:	The written premiums of Non-life covering the risks for the current period netted for the premiums paid to reinsurers and the change in unearned premiums reserves.
Expense ratio	:	The expenses as a percentage of net earned premiums. Included in expenses are internal costs of claims handling commissions, net of reinsurance.
Claims ratio	:	The cost of claims, net of reinsurance, as a percentage of net earned premiums.
Combined ratio	:	A measure of profitability in Non-life which is the ratio between the insurer’s total expenses and net earned premiums. This is insurer’s total expenses as a percentage of net earned premiums. This is the sum of the claims ratio and the expense ratio.

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Notes to the consolidated statement of financial position

9 Cash and cash equivalents

Cash includes cash on hand, current accounts and other financial instruments with a term of less than three months from the date on which they were acquired.

	31 December 2022	31 December 2021
Cash on hand	2	2
Due from banks	976	1,750
Other	175	185
Total cash and cash equivalents	**1,153**	**1,937**

10 Financial investments

The composition of financial investments is as follows.

	31 December 2022	31 December 2021
Financial investments		
- Held to maturity	5,420	4,351
- Available for sale	41,209	55,582
- Held at fair value through profit or loss	373	340
- Derivatives held for trading	125	6
Total, gross	**47,127**	**60,279**
Impairments:		
- of investments available for sale	(225)	(327)
Total impairments	**(225)**	**(327)**
Total	**46,902**	**59,952**

Available for sale financial investments of EUR 2,424 million from Ageas France were reclassified to the line 'Assets held for sale' as per 31 December 2022.

10.1 Investments held to maturity

	Government bonds	Corporate debt securities	Total
Investments held to maturity at 1 January 2021	**4,416**		**4,416**
Maturities	(58)		(58)
Amortisation	(7)		(7)
Investments held to maturity at 31 December 2021	**4,351**		**4,351**
Acquisitions/divestment of subsidiaries	789	341	1,130
Maturities	(1)		(1)
Acquisitions	56	8	64
Amortisation	(8)		(8)
Foreign exchange differences and other adjustments	(81)	(35)	(116)
Investments held to maturity at 31 December 2022	**5,106**	**314**	**5,420**
Fair value at 31 December 2021	**6,497**		**6,497**
Fair value at 31 December 2022	**5,612**	**315**	**5,927**

The fair value of government bonds classified as investments held to maturity is based on quoted prices in active markets (level 1).

In the following table the government bonds classified as held to maturity as at 31 December are detailed by country of origin.

31 December 2022	Historical/amortised cost	Fair value
Belgian national government	4,296	4,776
Portuguese national government	47	68
Indian national government	763	768
Total	**5,106**	**5,612**

31 December 2021		
Belgian national government	4,304	6,399
Portuguese national government	47	98
Total	**4,351**	**6,497**

10.2 Investments available for sale

31 December 2022	Historical/ amortised cost	Gross unrealised gains	Gross unrealised losses	Total gross	Impairments	Fair value
Government bonds	23,813	596	(2,390)	22,019		22,019
Corporate debt securities	16,209	53	(1,537)	14,725	(14)	14,711
Structured credit instruments	40	1		41		41
Available for sale investments in debt securities	40,062	650	(3,927)	36,785	(14)	36,771
Private equities and venture capital	366	43	(3)	406		406
Equity securities	3,448	671	(102)	4,017	(211)	3,806
Other investments	1			1		1
Available for sale investments in equity securities and other investments	3,815	714	(105)	4,424	(211)	4,213
Total investments available for sale	**43,877**	**1,364**	**(4,032)**	**41,209**	**(225)**	**40,984**

31 December 2021	Historical/ amortised cost	Gross unrealised gains	Gross unrealised losses	Total gross	Impairments	Fair value
Government bonds	25,944	5,241	(45)	31,140		31,140
Corporate debt securities	17,329	1,109	(23)	18,415	(20)	18,395
Structured credit instruments	50	2		52	(1)	51
Available for sale investments in debt securities	43,323	6,352	(68)	49,607	(21)	49,586
Private equities and venture capital	173	20	(1)	192		192
Equity securities	4,551	1,258	(28)	5,781	(306)	5,475
Other investments	2			2		2
Available for sale investments in equity securities and other investments	4,726	1,278	(29)	5,975	(306)	5,669
Total investments available for sale	**48,049**	**7,630**	**(97)**	**55,582**	**(327)**	**55,255**

An amount of EUR 1,979 million of the investments available for sale has been pledged as collateral (2021: EUR 2,032 million).

The valuation of investments available for sale 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).

31 December 2022	Level 1	Level 2	Level 3	Total
Government bonds	21,723	296		22,019
Corporate debt securities	12,520	1,565	626	14,711
Structured credit instruments		41		41
Equity securities, private equities and other investments	2,621	934	658	4,213
Total Investments available for sale	**36,864**	**2,836**	**1,284**	**40,984**

31 December 2021	Level 1	Level 2	Level 3	Total
Government bonds	30,589	551		31,140
Corporate debt securities	16,002	1,953	440	18,395
Structured credit instruments		51		51
Equity securities, private equities and other investments	3,186	1,547	936	5,669
Total Investments available for sale	**49,777**	**4,102**	**1,376**	**55,255**

The changes in level 3 valuation are as follows.

	2022	2021
Balance as at 1 January	**1,376**	**1,312**
Transfer to Held for Sale	(385)	
Acquisitions/divestment of subsidiaries		
Maturity/redemption or repayment	(61)	(63)
Acquired	302	182
Proceeds from sales	(129)	(140)
Realised gains (losses)	2	21
Reversal of impairments		
Impairments		(3)
Unrealised gains (losses)	(110)	67
Transfers between valuation categories	289	
Foreign exchange differences and other adjustments		
Balance as at 31 December	**1,284**	**1,376**

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. The changes in value of the level 3 instruments are accounted for in other comprehensive income. Quantitative unobservable inputs used when measuring fair value are not developed by the entity.

Government bonds detailed by country of origin

31 December 2022	Historical/ amortised cost	Gross unrealised gains (losses)	Fair value
Belgian national government	10,324	(1,241)	9,083
French national government	3,856	(1)	3,855
Spanish national government	2,287	(338)	1,949
Austrian national government	1,576	(33)	1,543
Portuguese national government	1,581	(53)	1,528
Italian national government	1,029	2	1,031
German national government	859	61	920
Dutch national government	468	(30)	438
Irish national government	258	(23)	235
Polish national government	238	(6)	232
British national government	234	(40)	194
Slovakian national government	158	(36)	122
Luxembourg national government	121	(8)	113
Finnish national government	91	2	93
Malta national government	97	(15)	82
Other national governments	636	(35)	601
Total	**23,813**	**(1,794)**	**22,019**

31 December 2021	Historical/ amortised cost	Gross unrealised gains (losses)	Fair value
Belgian national government	10,891	2,203	13,094
French national government	4,689	1,106	5,795
Portuguese national government	2,124	357	2,481
Austrian national government	1,722	402	2,124
Spanish national government	2,107	287	2,394
Italian national government	1,159	342	1,501
German national government	830	235	1,065
Dutch national government	463	58	521
Irish national government	332	33	365
British national government	222	13	235
Polish national government	274	35	309
Slovakian national government	200	44	244
Czech Republic national government			
Finnish national government	91	14	105
US national government	2		2
Other national governments	838	67	905
Total	**25,944**	**5,196**	**31,140**

The table below shows net unrealised gains and losses on investments available for sale included in equity. Equity securities and other investments also include private equities and venture capital.

	31 December 2022	31 December 2021
Available for sale investments in debt securities:		
Carrying amount	36,771	49,586
Gross unrealised gains and losses	(3,277)	6,284
- Related tax	752	(1,586)
Shadow accounting	137	(2,251)
- Related tax	(34)	652
Net unrealised gains and losses	**(2,422)**	**3,099**

	31 December 2022	31 December 2021
Available for sale investments in equity securities and other investments:		
Carrying amount	4,213	5,669
Gross unrealised gains and losses	609	1,249
- Related tax	(30)	(134)
Shadow accounting	(99)	(756)
- Related tax	25	118
Net unrealised gains and losses	**505**	**477**

The changes in impairments of investments available for sale are as follows.

	31 December 2022	31 December 2021
Balance as at 1 January	**(327)**	**(336)**
Transfer to Held for Sale	33	
Acquisitions/divestments of subsidiaries	(11)	
Increase in impairments	(117)	(34)
Release of impairments		
Reversal on sale/disposal	195	42
Foreign exchange differences and other adjustments	2	1
Balance as at 31 December	**(225)**	**(327)**

10.3 Investments held at fair value through profit or loss

	31 December 2022	31 December 2021
Government bonds		
Corporate debt securities	124	134
Structured credit instruments	1	3
Debt securities	125	137
Equity securities	101	36
Other investments	147	167
Equity securities and other investments	248	203
Total investments held at fair value through profit or loss	**373**	**340**

Investments held at fair value through profit or loss include primarily investments related to insurance liabilities where cash flows are linked to the performance of these assets, either contractually or on the basis of discretionary participation and whose measurement incorporates current information. This measurement significantly reduces an accounting mismatch that would otherwise arise from measuring assets and liabilities and the related gains and losses on different bases.

Other investments held at fair value through profit or loss relate to investments in the property fund.

The nominal value of the debt securities held at fair value through profit or loss as at 31 December 2022 is EUR 139 million (31 December 2021: EUR 133 million).

The valuation of investments held at fair value through profit or loss 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).

The valuation at year-end is as follows.

31 December 2022	Level 1	Level 2	Level 3	Total
Government Bonds				
Corporate debt securities		124		124
Structured credit instruments		1		1
Equity securities			101	101
Other investments	57	55	35	147
Total Investments held at fair value through profit or loss	**57**	**180**	**136**	**373**

31 December 2021	Level 1	Level 2	Level 3	Total
Government Bonds				
Corporate debt securities		134		134
Structured credit instruments		3		3
Equity securities			36	36
Other investments	61	69	37	167
Total Investments held at fair value through profit or loss	**61**	**206**	**73**	**340**

10.4 Derivatives held for trading

Derivatives held for trading are based on level 2 valuation (observable market data in active markets). See also note 27 Derivatives for further details.

10.5 Securities lending

Under securities lending agreements, we have authorised third parties to use certain of our securities for a limited period of time, after which they return the securities to us. During such time, we continue to earn the revenues that these securities generate. We also benefit 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 691 million (EUR 738 million last year).

10.6 Interests in unconsolidated structured entities

AG Insurance, a subsidiary of Ageas Group, holds notes which represents an interest (through the receipt of principal and interest) in structured entities that it does not consolidate. The structured entities invest in mortgage receivables and lease receivables and generate funds through the issuance of notes or units.

These structured notes and units are recorded in 'Investments available for sale'. Next to the notes and units, AG Insurance does not hold any other interest in these structured entities. The maximum loss exposure AG Insurance has is limited to the carrying amount of the notes or units held.

The carrying amount of interest held by AG Insurance in the Fund of mortgage loans amounts to EUR 319 million at 31 December 2022 (EUR 410 million at 31 December 2021). The carrying amount of interest held by AG Insurance in Lease-backed receivables amounts to EUR 28 million at 31 December 2022 (EUR 35 million at 31 December 2021). The carrying amount of interest held by AG Insurance in Private Equity amounts to EUR 173 million at 31 December 2022 (EUR 27 million at 31 December 2021).

The Fund of mortgage loans is fully detained by AG Insurance, and the total assets of the Lease-backed receivables amounts to EUR 196 million at 31 December 2022 (EUR 339 million at 31 December 2021)

11 Investment property

Investment property mainly comprises office buildings and retail space.

	31 December 2022	31 December 2021
Investment property	3,037	3,120
Impairments of investment property	(7)	(3)
Total investment property	**3,030**	**3,117**

	2022	2021
Acquisition cost as at 1 January	**3,930**	**3,661**
Transfer to Held for Sale	(32)	
Acquisitions/divestments of subsidiaries	95	35
Additions/purchases	58	303
Capital improvements	104	74
Disposals	(350)	(100)
Other	36	(43)
Acquisition cost as at 31 December	**3,841**	**3,930**
Accumulated depreciation as at 1 January	**(810)**	**(770)**
Transfer to Held for Sale	17	
Depreciation expense	(95)	(97)
Reversal of depreciation due to disposals	93	32
Other	(10)	25
Accumulated depreciation as at 31 December	**(805)**	**(810)**
Accumulated impairments as at 1 January	**(3)**	**(2)**
Increase in impairments	(4)	
Other		(1)
Accumulated impairments as at 31 December	**(7)**	**(3)**
Net investment property as at 31 December	**3,030**	**3,117**

As at 31 December 2022 and 31 December 2021, no property was pledged as collateral (see also note 21 Borrowings).

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 taken 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 2022	31 December 2021
Fair values supported by market evidence	579	483
Fair value subject to an independent valuation	3,627	3,823
Total fair value of investment property	**4,206**	**4,306**
Total carrying amount (including lease liability)	2,969	3,057
Gross unrealised gains (losses)	**1,237**	**1,249**
Unrealised gains (losses) to policyholders		(40)
Taxation	(343)	(342)
Net unrealised gains (losses) (not recognised in equity)	**894**	**867**

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:

	2022	2021
Less than 3 months	54	51
3 months to 1 year	156	145
1 year to 2 years	180	167
2 years to 3 years	143	134
3 years to 4 years	120	110
4 years to 5 years	103	101
More than 5 years	635	630
Total undiscounted lease payments receivable	**1,391**	**1,338**

An amount of EUR 97 million in 2022 of the total minimum payments to be received from irrevocable lease agreements relates to property, plant and equipment (2021: EUR 66 million). The remainder relates to investment property.

12 Loans

	31 December 2022	31 December 2021
Government and official institutions	5,020	5,120
Commercial loans	8,033	6,984
Residential mortgages	1,115	1,175
Policyholder loans	586	527
Interest bearing deposits	567	390
Loans to banks	237	325
Total	**15,558**	**14,521**
Less impairments	(25)	(29)
Total Loans	**15,533**	**14,492**

12.1 Commercial loans

	31 December 2022	31 December 2021
Real Estate	437	459
Infrastructure	1,951	1,624
Corporate	5,329	4,705
Finance Lease Receivables	316	163
Other		33
Total commercial loans	**8,033**	**6,984**

Ageas has granted credit lines for a total amount of EUR 523 million (31 December 2021: EUR 1,024 million).

12.2 Lease Maturity

Finance lease receivables	31 December 2022	31 December 2021
Less than 1 year	7	3
1 year to 3 years	14	7
3 years to 5 years	29	25
More than 5 years	266	128
Total Finance Lease Receivables	**316**	**163**

12.3 Collateral on loans

The following table provides details of collateral and guarantees received as security for loans.

Total credit exposure loans	2022	2021
Carrying amount	15,533	14,492
Collateral received		
Financial instruments	381	386
Property, plant and equipment	1,968	1,999
Other collateral and guarantees	116	104
Unsecured exposure	13,068	12,003
Collateral amounts in excess of credit exposure (1)	*835*	*919*

(1) Collateral amounts in excess of credit exposure relate to loans for which the collateral is higher than the underlying individual loan.

12.4 Impairments on loans

	Specific credit risk	2022 IBNR	Specific credit risk	2021 IBNR
Balance as at 1 January	**25**	**4**	**26**	**4**
Increase in impairments	4		2	
Release of impairments	(5)	(3)	(2)	
Write-offs of uncollectible loans			(1)	
Balance as at 31 December	**24**	**1**	**25**	**4**

The following table provides details of collateral and guarantees received as security for impaired loans.

Total impaired credit exposure on loans	2022	2021
Impaired outstanding	42	43
Collateral received		
Property, plant and equipment	36	30
Collateral and guarantees in excess of impaired credit exposure (1)	14	8

(1) Collateral amounts in excess of credit exposure relate to loans for which the collateral is higher than the underlying individual loan.

Interests in unconsolidated structured entities

AG Insurance, together with Ageas France, Ageas Portugal and Ageas Reinsurance hold notes which represents interests (through the receipt of principal and interest) in structured entities that Ageas group does not consolidate. The structured entities invest in mortgage receivables and are financed through the issuance of notes.

Next to the notes, AG Insurance, Ageas France, Ageas Reinsurance and Ageas Portugal do not hold any other interest in these structured entities. The maximum loss exposure AG Insurance, Ageas France, Ageas Reinsurance and Ageas Portugal have is limited to the carrying amount of the notes held (EUR 2,729 million at 31 December 2022 and EUR 2,355 million at 31 December 2021).

13

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.

		% interest	2022 Carrying amount	2021 Carrying amount
Associates and joint ventures				
Taiping Holdings	China	12.00% - 24.90%	2,508	2,529
Muang Thai Group Holding	Thailand	7.83% - 30.87%	787	1,072
Maybank Ageas Holding Berhad	Malaysia	30.95%	467	510
Taiping Reinsurance Company Limited	China	24.99%	192	328
CCN	Belgium	50.00%	49	52
HEKLA	Belgium	50.00%	7	24
Heylen group	Belgium	50.00%	37	25
DBFM	Belgium	37.50%	82	
AgeSA	Türkiye	40.00%	152	98
Aksigorta	Türkiye	36.00%	114	44
DTHP	Belgium	33.00%	57	63
East West Ageas Life	Philippines	50.00%	57	54
Pleyel	Belgium	56.50%	22	25
Ageas Federal Life Insurance Company	India	49.00%		90
Royal Sundaram General Insurance Company Limited	India	40.00%	157	207
EPB NV (Eurocommercial properties)	Belgium	25.60%	55	51
MB Ageas Life JSC	Vietnam	32.09%	23	21
Royal Park Investments	Belgium	44.71%		1
Other			142	134
Total			**4,908**	**5,328**

In 2022, Ageas increased its interest in the joint venture Ageas Federal Life Insurance Company Ltd (AFLIC) from 49% to 74%. This transaction is considered as a step acquisition, hence the previously held interest of 49% is treated as if it had been disposed of (see note 3 Acquisitions and disposals for more details).

Ageas recorded an impairment loss of EUR 29 million in 2022 in relation to its interest in Royal Sundaram General Insurance Company Limited.

The details of the equity accounted investments are as follows.

2022	Total assets (100% interest)	Total liabilities (100% interest)	Equity (100% interest)	Share in equity of associates and joint ventures (Ageas share)	Total income (100% interest)	Total expenses (100% interest)	Net result (100% interest)	Share in result of associates and joint ventures (Ageas share)	Dividend received
Taiping Holdings	131,926	121,692	10,234	2,504	25,227	(24,454)	773	187	124
Muang Thai Group Holding	17,890	15,278	2,612	753	2,639	(2,438)	201	59	9
Maybank Ageas Holding Berhad	10,093	8,652	1,441	446	1,806	(1,841)	(35)	(11)	16
Taiping Reinsurance Co. Limited	6,976	6,416	560	140	1,947	(1,883)	64	16	
CCN	141	42	99	49	2	(6)	(4)	(2)	
HEKLA	56	41	15	7	15	(5)	10	5	
Heylen group	529	455	74	37	47	(23)	24	12	
DBFM	1,563	1,345	218	82	136	(123)	13	5	
AgeSA	821	538	283	113	141	(141)		7	
DTHP	887	713	174	57	78	(112)	(34)	(11)	
East West Ageas Life	305	191	114	57	84	(94)	(10)	(5)	
Pleyel	120	81	39	22	5	(11)	(6)	(3)	
Aksigorta	680	572	108	39	283	(328)	(45)	(16)	
Ageas Federal Life Insurance Co.								2	2
Royal Sundaram General Insurance Company Limited	981	827	154	61	346	(338)	8	3	1
EPB NV (Eurocommercial properties)	532	320	212	55	33	(20)	13	3	
MB Ageas Life JSC	380	310	70	23	272	(269)	3	1	
Royal Park Investments	1		1						1
Related Goodwill and impairment				321					
Other				142				9	31
Total				**4,908**				**261**	**184**

2021	Total assets (100% interest)	Total liabilities (100% interest)	Equity (100% interest)	Share in equity of associates and joint ventures (Ageas share)	Total income (100% interest)	Total expenses (100% interest)	Net result (100% interest)	Share in result of associates and joint ventures (Ageas share)	Dividend received
Taiping Holdings	118,344	108,055	10,289	2,525	24,424	(23,277)	1,147	283	160
Muang Thai Group Holding	17,973	14,444	3,529	1,039	2,666	(2,398)	268	80	9
Maybank Ageas Holding Berhad	9,873	8,292	1,581	489	1,829	(1,659)	170	53	16
Taiping Reinsurance Co. Limited	7,183	6,068	1,115	279	1,908	(1,900)	8	2	
CCN	121	17	104	52	2	(3)	(1)	(1)	
HEKLA	150	102	48	24	23	(6)	17	8	
Heylen group	608	466	142	25	42	(31)	11	6	
DBFM	1,650	1,735	(85)		177	(164)	13	5	
AgeSA	614	413	201	80	185	(158)	27	11	
DTHP	860	670	190	63	58	(80)	(22)	(7)	
East West Ageas Life	251	143	108	54	75	(84)	(9)	(5)	
Pleyel	249	83	166	25	3	(11)	(8)	(5)	
Aksigorta	438	368	70	26	318	(288)	30	11	14
Ageas Federal Life Insurance Co.	1,740	1,583	157	77	400	(391)	9	4	6
Royal Sundaram General Insurance Company Limited	968	777	191	77	321	(300)	21	9	
EPB NV (Eurocommercial properties)	542	342	200	51	31	(29)	2	1	
MB Ageas Life JSC	278	212	66	21	224	(215)	9	3	
Royal Park Investments	7		7	1				1	1
Related Goodwill				286					
Other				134				5	13
Total				**5,328**				**464**	**219**

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 a company in which Ageas has a non-controlling interest) 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.

Royal Park Investments

After the disposal of the assets and settlement of the liabilities, the remaining activity of RPI is essentially limited to the management of litigation initiated against a number of US financial institutions.

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Reinsurance and other receivables

	31 December 2022	31 December 2021
Reinsurers' share of liabilities arising		
from insurance and investment contracts	822	801
Receivables from policyholders	375	409
Fees and commissions receivable	142	110
Receivables from intermediaries	284	379
Reinsurance receivables	117	136
Other	302	366
Total gross	**2,042**	**2,201**
Impairments	(49)	(52)
Total net	**1,993**	**2,149**

The line ‘Other’ includes VAT and other indirect taxes, as well as the advance payment of EUR 0.3 million (2021: EUR 109 million) to Stichting Forsettlement (see note 25 Provisions).

Changes in impairments of reinsurance and other receivables	2022	2021
Balance as at 1 January	**52**	**54**
Increase in impairments	10	8
Release of impairments	(6)	(5)
Write-offs of uncollectible amounts	(1)	(4)
Foreign exchange differences and other adjustments	(6)	(1)
Balance as at 31 December	**49**	**52**

Changes in the reinsurer’s share of liabilities arising from insurance and investment contracts	2022	2021
Balance as at 1 January	**801**	**720**
Transfer to Held for Sale	(7)	
Change in liabilities current year	176	179
Change in liabilities prior years	1	(19)
Claims paid current year	(80)	(42)
Claims paid prior years	(60)	(39)
Other net additions through income statement	8	(17)
Foreign exchange differences and other adjustments	(17)	19
Balance as at 31 December	**822**	**801**

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Accrued interest and other assets

	31 December 2022	31 December 2021
Deferred acquisition cost	371	418
Deferred other charges	110	114
Accrued income	979	1,000
Derivatives held for hedging purposes	110	34
Property intended for sale	240	323
Defined benefit assets	52	81
Other	79	69
Total gross	**1,941**	**2,039**
Impairments		
Total net	**1,941**	**2,039**

Accrued income consists mainly of accrued interest income on government bonds (2022: EUR 634 million; 2021: EUR 657 million) and corporate bonds (2022: EUR 198 million; 2021: EUR 212 million).

The line 'Other' consists mainly of buildings held for resale.

Details about derivatives can be found in Note 27 Derivatives.

Deferred acquisition costs

	2022	2021
Balance as at 1 January	**418**	**408**
Transfer to Held for Sale	(18)	
Capitalised deferred acquisition costs	349	419
Depreciation expense	(371)	(420)
Other purchases and sales of activities		(2)
Other adjustments including exchange rate differences	(7)	13
Balance as at 31 December	**371**	**418**

16 Property, plant and equipment

Property, plant and equipment include office buildings and public car parks.

	31 December 2022	31 December 2021
Car parks	1,430	1,383
Land and buildings held for own use	608	209
Leasehold improvements	47	28
Equipment, motor vehicles and IT equipment	142	112
Total	**2,227**	**1,732**

	Land & building held for own use and car parks		Equipment, motor vehicles and IT equipment	
2022	Own Property	Leased Property (right of use)	Own Property	Leased Property (right of use)
Acquisition cost as at 1 January	**1,899**	**641**	**334**	**47**
Transfer to Held for Sale		(7)	(3)	
Acquisitions/divestments of subsidiaries	378	31	25	
Additions	39	90	36	23
Reversal of cost due to disposals	(13)	(7)	(19)	(10)
Foreign exchange differences and other	31		(3)	(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/divestments of subsidiaries	(1)		(4)	
Depreciation expense	(44)	(60)	(33)	(12)
Reversal of depreciation due to disposals	2	7	18	6
Foreign exchange differences and other	(4)		4	1
Accumulated depreciation as at 31 December	**(814)**	**(219)**	**(257)**	**(30)**
Accumulated impairments as at 1 January	**(10)**			
Increase in impairments	(2)			
Accumulated impairments as at 31 December	**(12)**			
Total as at 31 December	**1,508**	**529**	**113**	**29**

2021	Land & building held for own use and car parks: Own Property	Land & building held for own use and car parks: Leased Property (right of use)	Equipment, motor vehicles and IT equipment: Own Property	Equipment, motor vehicles and IT equipment: Leased Property (right of use)
Acquisition cost as at 1 January	**1,938**	**613**	**346**	**40**
Additions	24	47	21	14
Reversal of cost due to disposals	(18)	(17)	(33)	(7)
Foreign exchange differences and other	(45)	(2)		
Acquisition cost as at 31 December	**1,899**	**641**	**334**	**47**
Accumulated depreciation as at 1 January	**(738)**	**(124)**	**(247)**	**(17)**
Depreciation expense	(40)	(63)	(30)	(11)
Reversal of depreciation due to disposals	6	15	32	4
Foreign exchange differences and other	5	1		
Accumulated depreciation as at 31 December	**(767)**	**(171)**	**(245)**	**(24)**
Accumulated impairments as at 1 January	**(10)**	**(1)**	**(1)**	
Foreign exchange differences and other		1	1	
Accumulated impairments as at 31 December	**(10)**			
Total as at 31 December	**1,122**	**470**	**89**	**23**

An amount of EUR 159 million of property, plant and equipment has been pledged as collateral (31 December 2021: EUR 166 million).

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 2022	31 December 2021
Total fair value of Land and buildings held for own use and car parks	**2,261**	**1,837**
Total carrying amount (including lease liability)	1,498	1,114
Gross unrealised gains (losses)	**763**	**723**
Taxation	(200)	(176)
Net unrealised gains (losses) (not recognised in equity)	**563**	**547**

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Goodwill and other intangible assets

	31 December 2022	31 December 2021
Goodwill	598	616
Public car park service concessions	502	537
VOBA	150	33
Software	101	83
Other intangible assets	210	53
Total	**1,561**	**1,322**

In 2022, Ageas increased its interest in the joint venture Ageas Federal Life Insurance Company Ltd (AFLIC) from 49% to 74%. Following this transaction, a goodwill of EUR 5 million was recognised.

Licenses to operate were acquired as a result of the business combination of Anima Group. This intangible is recorded in ‘Other intangible assets’ and has an indefinite lifetime. At 31 December 2022, this intangible was tested for impairment and an amount of EUR 0.4 million impairment was recorded.

Changes in goodwill, VOBA and Public car park service concessions are shown below.

	Goodwill		VOBA		Public Car Park Service Concessions	
	2022	2021	2022	2021	2022	2021
Acquisition cost as at 1 January	**648**	**630**	**528**	**529**	**844**	**726**
Transfer to Held for Sale	(10)		(1)			
Acquisitions/divestments of subsidiaries	6		144			
Additions					24	68
Reversal of cost due to disposals					(2)	
Foreign exchange differences and other	(15)	18	(13)		(38)	50
Acquisition cost as at 31 December	**629**	**648**	**658**	**529**	**828**	**844**
Accumulated amortisation as at 1 January			**(495)**	**(485)**	**(296)**	**(265)**
Transfer to Held for Sale			1			
Amortisation expense			(14)	(11)	(27)	(26)
Reversal of amortisation due to disposals					2	
Foreign exchange differences and other					6	(5)
Accumulated amortisation as at 31 December			**(508)**	**(496)**	**(315)**	**(296)**
Accumulated impairments as at 1 January	**(32)**	**(28)**			**(11)**	**(11)**
Increase in impairments		(2)				
Foreign exchange differences and other	1	(2)				
Accumulated impairments as at 31 December	**(31)**	**(32)**			**(11)**	**(11)**
Total as at 31 December	**598**	**616**	**150**	**33**	**502**	**537**

Impairment 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 2022 is as follows.

	Goodwill amount	Impairments	Net amount	Segment	Method used for recoverable amount
Cash-generating unit (CGU)					
Ageas Portugal	337		337	Europe	Value in use
Ageas (UK)	265	28	237	Europe	Value in use
Other	27	3	24		Value in use
Total	**629**	**31**	**598**		

Ageas Portugal

The reported goodwill for Ageas Portugal amounts to EUR 337 million (2021: 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 the expected inflation in Portugal. The discount rate of 8.6 percent (2021: 8.9 percent) used is based on the average 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 more than 10.6 percent.

Ageas UK

Goodwill for Ageas UK amounts to GBP 235 million (2021: GBP 235 million). The net goodwill after impairment amounts to GBP 210 million (2021: 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 the expected inflation.

The discount rate of 5.9 percent (2021: 5.9 percent) used is based on the average 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 therefore 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 6.2 percent.

Other
Other includes goodwill in Belgium and India.

Amortisation of VOBA
The main contributor to VOBA is Ageas Federal Life Insurance Company Ltd (AFLIC). The expected amortisation expenses is as follows.

	Estimated amortisation of VOBA
2023	20
2024	17
2025	22
2026	12
2027	12
Later	67
Total	**150**

18 Shareholders' equity

The following table shows the composition of shareholders' equity as at 31 December 2022.

Share capital	
Ordinary shares	1,502
Share premium reserve	2,051
Other reserves	3,752
Currency translation reserve	60
Net result attributable to shareholders	1,011
Unrealised gains and losses	(794)
Shareholders' equity	**7,582**

18.1 Shares issued and potential number of shares

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 (2022-2024) by the General Meeting of Shareholders of 18 May 2022 to increase the share capital by a maximum amount of EUR 150,000,000 for general purposes.

Applied to a fraction value of EUR 7.92, this enables the issuance of up to 18,950,000 shares, representing approximately 10% of the total current share capital of the Company. This authorisation also enables the Company to meet its obligations entered into in the context of the issue of the financial instruments. Shares can also be issued due to the so-called alternative coupon settlement method (ACSM), included in certain hybrid financial instruments (for details see note 43 Contingent liabilities and note 20 Subordinated 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.

The total number of treasury shares (6.1 million) consists of shares held for the FRESH (1.2 million, see note 20.1), shares underlying repurchased FRESH securities (2.8 million, see note 20.1) and the remaining shares resulting from the share buy-back programme (2.1 million) of which 0.1 million shares are used for the vesting of the restricted share programme.

Share buy-back programme 2021-2022

Ageas announced on 11 August 2021 a new share buy-back programme, starting on 1 September 2021 and running up to 29 July 2022, for an amount of EUR 150 million.

The Extraordinary General Meeting of Shareholders of Ageas SA/NV of 18 May 2022 approved the cancellation of 1,301,941 shares. As a result, the total number of issued shares is reduced to 189,731,187.

Restricted share programme

Ageas created restricted share programmes for the members of the Executive and Management Committee (see also note 6 section 6.2 Employee share and share-linked incentive plans).

18.2 Outstanding shares

in thousands	Shares issued	Treasury shares	Shares outstanding
Number of shares as at 1 January 2021	**194,553**	**(7,591)**	**186,962**
Cancelled shares	(3,520)	3,520	
Balance (acquired)/sold		(1,297)	(1,297)
Used for management share plans		72	72
Number of shares as at 31 December 2021	**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**

18.3 Shares entitled to dividend and voting rights

in thousands	
Number of shares issued as at 31 December 2022	**189,731**
Shares not entitled to dividend and voting rights:	
Shares held by Ageas SA/NV	4,841
Shares related to FRESH (see note 20)	1,219
Shares related to CASHES (see notes 23 and 43)	3,473
Shares entitled to voting rights and dividend	**180,197**

18.4 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.

18.5
Unrealised gains and losses included in shareholders' equity

The table below shows the unrealised gains and losses included in shareholders' equity.

31 December 2022	Available for sale investments	Reclassified to held to maturity investments	Revaluation of associates and joint ventures	Cash flow hedges	DPF component	Total
Gross	(2,931)	(30)	643	104		(2,214)
Related tax	789	8		(7)		790
Shadow accounting	281					281
Related tax	(70)					(70)
Non-controlling interests	435	9	(11)	(14)		419
Discretionary participation feature (DPF)	(10)				10	
Total	**(1,506)**	**(13)**	**632**	**83**	**10**	**(794)**

31 December 2021	Available for sale investments	Reclassified to held to maturity investments	Revaluation of associates and joint ventures	Cash flow hedges	DPF component	Total
Gross	7,538	(31)	1,133	5		8,645
Related tax	(1,720)	8				(1,712)
Shadow accounting	(3,007)					(3,007)
Related tax	770					770
Non-controlling interests	(875)	9	14	3		(849)
Discretionary participation feature (DPF)	15				(15)	
Total	**2,721**	**(14)**	**1,147**	**8**	**(15)**	**3,847**

Changes in the fair value of derivatives that are designated and qualify as a cash-flow hedge are recognised as an unrealised gain or loss in shareholders' equity. Any hedge ineffectiveness is immediately recognised in the income statement.

Ageas enters into insurance contracts that feature not only a guaranteed part but also other benefits, of which the amounts and the timing of declaration and payment are solely at the discretion of Ageas. Depending on the contractual and statutory terms and conditions, unrealised changes in the fair value of the asset mix related to such contracts are, after the application of shadow accounting, reported in shareholders' equity under separate discretionary participation features (DPF) and in unrealised gains and losses related to available for sale investments.

The table below shows changes in gross unrealised gains and losses included in shareholders' equity.

	Available for sale investments	Reclassified to held to maturity investments	Revaluation of associates and joint ventures	Cash flow hedges	Total
Gross unrealised gains (losses) as at 1 January 2021	**9,899**	**(33)**	**1,300**	**(22)**	**11,144**
Changes in unrealised gains (losses) during the year	(2,175)		(158)	29	(2,304)
Reversal unrealised (gains) losses because of sales	(182)				(182)
Reversal unrealised losses because of impairments	(3)				(3)
Acquisition and divestments of equity accounted investments			(9)		(9)
Amortisation		2			2
Foreign exchange differences and other	(1)			(2)	(3)
Gross unrealised gains (losses) as at 31 December 2021	**7,538**	**(31)**	**1,133**	**5**	**8,645**
Changes in unrealised gains (losses) during the year	(10,144)		(489)	192	(10,441)
Reversal unrealised (gains) losses because of sales	(309)				(309)
Reversal unrealised losses because of impairments	(16)				(16)
Acquisition and divestments of equity accounted investments	(12)		(1)		(13)
Amortisation		1		(93)	(92)
Foreign exchange differences and other	12				12
Gross unrealised gains (losses) as at 31 December 2022	**(2,931)**	**(30)**	**643**	**104**	**(2,214)**

18.6 Dividend capacity

The companies comprising Ageas are subject to legal restrictions regarding the amount of dividend they may pay to their shareholders.

Under the Belgian Company Code, 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 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 shareholder agreements with the partners in the company. In certain situations consensus between the shareholders is required before dividend is declared.

In addition, shareholder agreements (related to parties having a non-controlling interest in Ageas subsidiaries) 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 2022

Given the continued strong capital position, the Board of Directors proposes for approval at the Annual Shareholders' Meeting, a final dividend of EUR 1.50 per share in addition to the EUR 1.50 interim dividend paid in October 2022. This brings the total dividend for 2022 to EUR 3.00 per share, up 9% compared to last year, representing an amount of EUR 541 million in dividend payment.

18.7
Return on equity

Ageas calculates return on equity by dividing the net result for the period by the net average equity at the beginning and the end of the period.

	2022	2021
Return on equity Insurance (excluding unrealised gains & losses)	9.8%	13.0%

18.8
Earnings per share

The following table details the calculation of earnings per share.

	2022	2021
Net result attributable to shareholders	**1,011**	**845**
Weighted average number of ordinary shares for basic earnings per share (in thousands)	184,162	186,765
Adjustments for:		
- restricted shares (in thousands) expected to be awarded	159	140
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	**184,321**	**186,905**
Basic earnings per share (in euro per share)	5.49	4.52
Diluted earnings per share (in euro per share)	5.48	4.52

Ageas shares related to the FRESH, as they are not entitled to dividend nor do they have voting rights, were excluded from the calculation of basic earnings per share.

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.

19 Insurance liabilities

19.1 Liabilities arising from Life insurance contracts

	31 December 2022	31 December 2021
Liability for future policyholder benefits	25,350	26,561
Reserve for policyholder profit sharing	236	245
Shadow accounting	(46)	1,884
Before eliminations	**25,540**	**28,690**
Eliminations	(18)	(17)
Gross	**25,522**	**28,673**
Reinsurance	(4)	(13)
Net	**25,518**	**28,660**

Changes in the liabilities arising from Life insurance contracts (gross of reinsurance and before eliminations) are shown below.

	2022	2021
Balance as at 1 January	**28,690**	**29,990**
Transfer to Held for Sale	(3,080)	
Gross inflow	2,094	2,023
Acquisitions of subsidiaries	1,187	
Time value	547	601
Payments due to surrenders, maturities and other	(1,449)	(1,783)
Transfer of liabilities	13	(80)
Shadow accounting adjustment	(1,559)	(1,350)
Foreign exchange differences	(118)	
Other changes, including risk coverage	(785)	(711)
Balance as at 31 December	**25,540**	**28,690**

The shadow accounting adjustment is a reflection of the unrealised gains and losses on the investment portfolio.

The line item ‘Other changes, including risk coverage’, mainly relates to insurance and actuarial risk consumption regarding guarantees included in the contracts, and therefore vary together with the volumes.

The effect of changes in assumptions used to measure the liabilities related to Life insurance contracts was immaterial in both 2022 and 2021.

19.2
Liabilities arising from Life investment contracts

	31 December 2022	31 December 2021
Liability for future policyholder benefits	28,356	29,256
Reserve for policyholder profit sharing	336	286
Shadow accounting	8	1,075
Gross	**28,700**	**30,617**

	2022	2021
Balance as at 1 January	**30,617**	**31,629**
Gross inflow	1,712	1,928
Time value	303	319
Payments due to surrenders, maturities and other	(2,034)	(2,289)
Transfer of liabilities	(244)	(255)
Shadow accounting adjustment	(1,067)	(632)
Other changes, including risk coverage	(587)	(83)
Balance as at 31 December	**28,700**	**30,617**

The shadow accounting adjustment is a reflection of the unrealised gains and losses in the investment portfolio. The transfer of liabilities mainly relates to internal movements between product portfolios. The line item ‘Other changes, including risk coverage’, mainly relates to insurance and actuarial risk consumption regarding guarantees included in the contracts, and therefore vary together with the volumes.

The effect of changes in assumptions used to measure the liabilities related to Life investment contracts was immaterial in both 2022 and 2021.

19.3
Liabilities related to unit-linked contracts

	31 December 2022	31 December 2021
Insurance contracts	2,050	3,352
Investment contracts	13,751	15,549
Total	**15,801**	**18,901**

The following table shows the changes in liabilities related to unit-linked insurance contracts.

	2022	2021
Balance as at 1 January	**3,352**	**2,904**
Transfer to Held for Sale	(1,620)	
Gross inflow	196	394
Acquisitions of subsidiaries	514	
Changes in fair value / time value	(263)	280
Payments due to surrenders, maturities and other	(47)	(204)
Transfer of liabilities	44	(11)
Foreign exchange differences	(51)	
Other changes, including risk coverage	(75)	(11)
Balance as at 31 December	**2,050**	**3,352**

The following table shows the changes in liabilities related to unit-linked investment contracts.

	2022	2021
Balance as at 1 January	**15,549**	**14,186**
Gross inflow	1,338	1,825
Changes in fair value / time value	(2,215)	1,019
Payments due to surrenders, maturities and other	(1,063)	(1,809)
Transfer of liabilities	265	367
Foreign exchange differences	(8)	1
Other changes, including risk coverage	(115)	(40)
Balance as at 31 December	**13,751**	**15,549**

The transfer of liabilities mainly reflects internal movements between different product contracts. The line item ‘Other changes, including risk coverage’, mainly relates to insurance and actuarial risk consumption, for complementary guarantees included in the contracts.

19.4 Liabilities arising from Non-life insurance contracts

The following table provides an overview of the liabilities arising from Non-life insurance contracts.

	31 December 2022	31 December 2021
Claims reserves	7,783	7,620
Unearned premiums	1,611	1,730
Reserve for policyholder profit sharing	61	38
Shadow accounting		49
Before eliminations	**9,455**	**9,437**
Eliminations	(1,579)	(1,548)
Gross	**7,876**	**7,889**
Reinsurance	(818)	(789)
Net	**7,058**	**7,100**

Changes in the liabilities arising from insurance contracts for Non-life insurance contracts (gross of reinsurance and before eliminations) are shown below.

		2022		2021
Balance as at 1 January		**9,437**		**8,744**
Acquisitions/divestments of subsidiaries				
Addition to liabilities current year	3,189		3,131	
Claims paid current year	(1,488)		(1,481)	
Change in liabilities current year	1,701		1,650	
Addition to liabilities prior years	(276)		(285)	
Claims paid prior years	(1,217)		(1,066)	
Change in liabilities prior years	(1,493)		(1,351)	
Change in liabilities (current and prior years)		208		300
Change in unearned premiums		(44)		(14)
Transfer of liabilities		(108)		(70)
Foreign exchange differences		(135)		170
Shadow accounting adjustment		(49)		
Other changes		146		307
Balance as at 31 December		**9,455**		**9,437**

19.5
Insurance Liabilities Adequacy Testing

The tests carried out at 2022 year-end have confirmed that the reported insurance liabilities are adequate.

Overview of insurance liabilities by operating segment

The table below provides an overview of the liabilities by operating segment.

31 December 2022	Total Non-life	Non-life gross liability split: Unearned Premium	Non-life gross liability split: Claims Outstanding	Total Life	Life gross liability split: Unit-Linked	Life gross liability split: Life Guaranteed
Belgium	4,426	387	4,039	59,434	11,055	48,379
Europe	3,317	795	2,522	9,030	4,280	4,750
Asia				1,575	466	1,109
Reinsurance	1,712	429	1,283	2		2
Eliminations	(1,579)		(1,579)	(18)		(18)
Insurance total	**7,876**	**1,611**	**6,265**	**70,023**	**15,801**	**54,222**

31 December 2021	Total Non-life	Non-life gross liability split: Unearned premium	Non-life gross liability split: Claims outstanding	Total Life	Life gross liability split: Unit-linked	Life gross liability split: Life Guaranteed
Belgium	4,345	363	3,933	63,003	12,387	50,616
Europe	3,449	908	2,541	15,191	6,515	8,676
Reinsurance	1,643	459	1,184	13		13
Eliminations	(1,548)		(1,548)	(16)	(1)	(15)
Insurance total	**7,889**	**1,730**	**6,110**	**78,191**	**18,901**	**59,290**

20 Subordinated liabilities

	31 December 2022	31 December 2021
Issued by Ageasfinlux S.A.		
FRESH Restricted Tier 1 Notes	151	384
Issued by Ageas SA/NV		
Perpetual Subordinated Fixed Rate Resettable Temporary Write-Down Restricted Tier 1 Notes	744	744
Subordinated Fixed to Floating Rate Tier 2 Notes	991	989
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	**2,517**	**2,748**

	31 December 2022	31 December 2021
Balance as at 1 January	**2,748**	**2,758**
Proceeds from issuance		
Redemption		
Realised Gains		
Foreign exchange differences and other (see 20.1 below for more details)	(231)	(10)
Balance as at 31 December	**2,517**	**2,748**

Most of the outstanding subordinated liabilities as at 31 December 2022 are positions with a maturity of more than 5 years.

20.1 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 2022 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 2022 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 32 for the resulting impact on the consolidated income statement.

20.2 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 100 basis 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.

20.3 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 Write-Down 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 six month 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 (see 20.1).

20.4 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.

20.5
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% as a partial replacement for the USD 550 million notes which had been redeemed in March 2019. 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.

20.6
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.

20.7
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.

20.8
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.

21 Borrowings

	31 December 2022	31 December 2021
Repurchase agreements	2,153	2,078
Loans	899	838
Due to banks	**3,052**	**2,916**
Funds held under reinsurance agreements	67	74
Lease liabilities	630	560
Other borrowings	63	66
Total borrowings	**3,812**	**3,616**

Repurchase agreements are essentially secured short-term loans that are used to hedge specific investments with resettable interest rates and for cash management purposes.

Ageas has pledged property as collateral for loans and other with a carrying amount of EUR 159 million (2021: EUR 166 million).

The carrying value of the borrowings is a reasonable approximation of their fair value as contract maturities are less than one year (repurchase agreements) and/or contracts carry a floating rate (loans from banks). 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 2022	31 December 2021
Balance as at 1 January	**3,616**	**3,920**
Transfer to held for sale	(3)	
Acquisition/divestments of subsidiaries	150	
Proceeds from issuance	223	73
Payments	(167)	(375)
Foreign exchange differences and other changes	(7)	(2)
Balance as at 31 December	**3,812**	**3,616**

The following table shows the undiscounted cash flows of the borrowings, except for lease liabilities, classified by relevant maturity group as at 31 December.

	31 December 2022	31 December 2021
Less than 1 year	2,455	2,898
1 year to 3 years	59	28
3 years to 5 years	44	36
More than 5 years	624	94
Total	**3,182**	**3,056**

As a consequence of the Covid pandemic, the Group's car park subsidiary Interparking (51% owned by AG Insurance) received waivers related to loan covenants in the first half of 2021. Consequently, long-term bank borrowings, for which waivers were obtained, were reclassified from long-term to short-term. The activities of Interparking since recovered, resulting in Interparking meeting its loan covenants. Therefore, an amount of long-term bank borrowings of EUR 491 million has been reclassified from short-term to long-term at the reporting date.

Lease obligations as lessee (undiscounted)

	Minimum lease payments	
	2022	2021
Less than 1 year	86	80
1 year to 2 years	80	77
2 years to 3 years	73	64
3 years to 4 years	62	58
4 years to 5 years	56	47
More than 5 years	495	440
Total	**852**	**766**
Annual rental expense	5	6
Future finance charges	222	206

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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		Income statement	
	2022	2021	2022	2021
Deferred tax assets related to:				
Financial investments (available for sale)	12	14	(10)	1
Investment property	13	13		4
Loans to customers	1	2	(1)	
Property, plant and equipment	40	42	(1)	
Intangible assets (excluding goodwill)	8	8		
Insurance policy and claim reserves	40	664	(27)	
Debt certificates and subordinated liabilities				
Provisions for pensions and post-retirement benefits	23	84		
Other provisions	7	8	(1)	(1)
Accrued expenses and deferred income	1			(1)
Unused tax losses	63	106	(6)	4
Other	102	100	1	2
Gross deferred tax assets	**310**	**1,041**	**(45)**	**9**
Unrecognised deferred tax assets		(28)		
Net deferred tax assets	**310**	**1,013**	**(45)**	**9**
Deferred tax liabilities related to:				
Financial investments (available for sale)	(654)	1,489	(7)	(2)
Investment property	84	98	6	(3)
Loans to customers	2	2		(1)
Property, plant and equipment	175	124	7	9
Intangible assets (excluding goodwill)	108	80	3	3
Debt certificates and subordinated liabilities	1	1		
Other provisions	11	11		(4)
Deferred policy acquisition costs	30	36	2	(3)
Deferred expense and accrued income	1	1		
Tax exempt realised reserves	19	21	2	2
Other	13	21	(2)	6
Total deferred tax liabilities	**(210)**	**1,884**	**11**	**7**
Deferred tax income (expense)			**(34)**	**16**
Net deferred tax asset (liability)	**520**	**(871)**		

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.

	2022	2021
Deferred tax asset	918	100
Deferred tax liability	398	971
Net deferred tax	**520**	**(871)**

As at 31 December 2022, the current tax assets recorded in equity amounts to EUR 34 million (2021: EUR (42) million current tax liability). The net deferred tax assets recorded in equity is EUR 684 million (2021: EUR (841) million net deferred tax liability).

Deferred tax assets are recognised to the extent that it is probable that there will be sufficient future taxable profit against which the deferred tax asset can be utilised. Deferred tax assets have been recognised on unused (claimed) tax losses and unused tax credits at an estimated tax value of EUR 73 million (2021: EUR 79 million). The tax losses that have not been recognised amount to EUR 3,374 million at 31 December 2022 (2021: EUR 3,200 million). Most of the (claimed) tax loss carry forward position originates from the liquidation of Brussels Liquidation Holding (the former Fortis Brussels, the company that held the Fortis banking operations). Tax-wise, the loss on the sale of the Fortis Bank only materialised at the moment of liquidation.

23 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. 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 2022, 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 issued 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 2022) 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 3 month 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 decreased from EUR 520.4 million at year-end 2021 to EUR 334.3 million at 31 December 2022, driven by the partial settlement of the RPN(I) and by the decrease in the CASHES price from 95.61% at 31 December 2021 to 79.17% at 31 December 2022, which was partly offset by the decrease in the Ageas share price from EUR 45.55 to EUR 41.42 over the same period.

Sensitivity of RPN(I) value

At 31 December 2022, 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 2022	31 December 2021
Deferred revenues	166	155
Accrued finance costs	72	50
Accrued other expenses	109	101
Derivatives held for hedging purposes	1	26
Derivatives held for trading	3	15
Defined benefit pension liabilities	576	808
Defined benefit liabilities other than pension	88	137
Termination benefits	5	5
Other long-term employee benefit liabilities	14	17
Short-term employee benefit liabilities	128	107
Liabilities related to written put options on NCI	114	108
Accounts payable	224	213
Due to agents, policyholders and intermediaries	450	485
VAT and other taxes payable	148	167
Dividends payable	19	16
Due to reinsurers	30	25
Other liabilities	537	399
Total	**2,684**	**2,834**

Details of employee benefit liabilities can be found in Note 6 section 6.1 Employee benefits.

The line item ‘Other liabilities’ includes payables related to the clearing of securities transactions, collateral on interest rate swaps, cash received awaiting allocation to investments and small expenses to be paid.

Details of derivatives can be found in Note 27 Derivatives.

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 undiscounted cash flows of Accounts payable, Due to agents, policy holders and intermediaries, VAT and other tax payable, Dividends payable, Due to reinsurers and other liabilities classified by relevant maturity group.

31 December 2022	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Undiscounted cashflow	1,180	192	3	30
Total	**1,180**	**192**	**3**	**30**

31 December 2021	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Undiscounted cashflow	1,118	149	3	31
Total	**1,118**	**149**	**3**	**31**

25 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 43 Contingent liabilities, which describes the various ongoing litigation proceedings.

Global settlement related to the Fortis events of 2007 and 2008

On 14 March 2016, Ageas and the claimant organisations Deminor, Stichting FortisEffect, Stichting Investor Claims Against Fortis (SICAF) and VEB announced a settlement proposal with respect to all civil proceedings related to the former Fortis group for events in 2007 and 2008 for an amount of EUR 1.2 billion.

In addition, Ageas announced on 14 March 2016 that it also reached an agreement with the D&O insurers, the D&O's involved in litigation and BNP Paribas Fortis to settle for an amount of EUR 290 million.

On 24 March 2017, the Amsterdam Appeal Court held a public hearing during which it heard the request to declare the settlement binding as well as the arguments that were submitted against it. On 16 June 2017, the Court took the interim decision not to declare the settlement binding in its initial format. On 12 December 2017, the petitioners filed an amended and restated settlement with the Amsterdam Appeal Court. This amended settlement took into consideration the main concerns of the Court and the overall budget was raised by EUR 100 million to EUR 1.3 billion.

On 13 July 2018, the Amsterdam Appeal Court declared the settlement binding on Eligible Shareholders (i.e. persons who held Fortis shares at any time between close of business on 28 February 2007 and close of business on 14 October 2008) in accordance with the Dutch Act on Collective Settlement of Mass Claims (Wet Collectieve Afwikkeling Massaschade, "WCAM"). In declaring the settlement binding, the Court believed the compensation offered under the settlement was reasonable and that the claimant organisations Deminor, SICAF and FortisEffect were sufficiently representative of the interests of the beneficiaries of the settlement.

On 21 December 2018, Ageas announced that it had decided to provide clarity ahead of time by waiving its termination right. As a consequence of this the settlement became final. The claims filing period started on 27 July 2018 and ended on 28 July 2019. As at 31 December 2022, an amount of EUR 1,309 million had already been paid out to Eligible Shareholders.

On 23 June 2022, Ageas announced that, except for a limited number of unresolved claims, the settlement would be closed. Final payments followed at the end of August 2022. The potential costs that Ageas has agreed to bear for the unresolved claims have been provided for in the provision mentioned below.

The main components of the EUR 1.3 million provision as at 31 December 2022 (31 December 2021: EUR 114 million) are:

- EUR 1,309 million related to the WCAM settlement agreement;
- EUR 1 million related to the tail risk;
- minus EUR 1,309 million already paid to eligible shareholders.

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 year are as follows.

	31 December 2022	31 December 2021
Balance as at 1 January	**182**	**322**
Transfer to Held for Sale	(3)	
Acquisition and divestment of subsidiaries		
Increase (Decrease) in provisions	(6)	(15)
Utilised during the year	(106)	(127)
Foreign exchange differences and other	4	2
Balance as at 31 December	**71**	**182**

26 Non-controlling interest

The following table provides information about the most significant non-controlling interests (NCI) in Ageas's entities.

	% of non-controlling interest	Result as at 31 Dec. 2022	Equity as at 31 Dec. 2022	% of non-controlling interest	Result as at 31 Dec. 2021	Equity as at 31 Dec. 2021
Group company						
AG Insurance (Belgium)	25.0%	100	483	25.0%	95	1,617
AG Real Estate (part of AG Insurance) mainly Interparking NCI for 49% held by minority shareholders of AG Real Estate	25.0%	75	417	25.0%	43	352
Millenniumbcp Ageas (part of Europe)	49.0%	36	80	49.0%	34	286
Other		1	70		(1)	3
Total NCI		**212**	**1,050**		**171**	**2,258**

Non-controlling interest (NCI) represents the participation of a third party in the shareholders' equity of Ageas's subsidiaries.

The increase in the line other is linked to the interest in Ageas Federal Life Insurance Company Ltd (AFLIC).

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 fair value of the expected settlement amounting to EUR 114 million (2021: EUR 108 million) (see note 24 Accrued interest and other liabilities).

Subsidiaries

The details of the statement of financial position of AG Insurance are included in note 8 Information on operating segments. Details of the other subsidiary of Ageas in which non-controlling interests are held are:

Financial information (100% interest)	Assets as at 31 Dec. 2022	Liabilities as at 31 Dec. 2022	Equity as at 31 Dec. 2022	Assets as at 31 Dec. 2021	Liabilities as at 31 Dec. 2021	Equity as at 31 Dec. 2021
Subsidiary						
Millenniumbcp Ageas	8,434	8,476	(42)	10,226	9,846	379

27 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.

Interest rate swaps and cross-currency 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.

Trading derivatives

	31 December 2022				31 December 2021			
	Assets		Liabilities		Assets		Liabilities	
	Fair value	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value	Notional amount
Foreign exchange contracts								
Forwards and futures	29	512	3	102	2	346	15	500
Swaps	3			63		8		
Total	**32**	**512**	**3**	**165**	**2**	**354**	**15**	**500**
Interest rate contracts								
Forwards and futures				17				
Swaps	93	498			4	174		
Total	**93**	**498**		**17**	**4**	**174**		
Equity/Index contracts								
Options and warrants								10
Total								**10**
Total	**125**	**1,010**	**3**	**182**	**6**	**528**	**15**	**510**
Fair values supported by observable market data	88		1					
Fair values obtained using a valuation model	37		2		6		15	
Total	**125**		**3**		**6**		**15**	
Over the counter (OTC)	125							
Total	**125**	**1,010**	**3**	**182**	**6**	**528**	**15**	**510**

Hedging derivatives

	31 December 2022				31 December 2021			
	Assets		Liabilities		Assets		Liabilities	
	Fair value	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value	Notional amount
Foreign exchange contracts								
Forwards and futures	10	56			5	68	12	115
Total	**10**	**56**			**5**	**68**	**12**	**115**
Interest rate contracts								
Forwards and futures		100						
Swaps	100	758	1	25	29	544	14	689
Total	**100**	**858**	**1**	**25**	**29**	**544**	**14**	**689**
Total	**110**	**914**	**1**	**25**	**34**	**612**	**26**	**804**
Fair values supported by observable market data	71						12	
Fair values obtained using a valuation model	39		1		34		14	
Total	**110**		**1**		**34**		**26**	
Over the counter (OTC)	110		1	25	34	612	26	804
Total	**110**	**914**	**1**	**25**	**34**	**612**	**26**	**804**

28 Commitments

Commitments received and given are detailed as follows.

Commitments	31 December 2022	31 December 2021
Commitment Received		
Credit lines	1,527	1,071
Collateral and guarantees received	4,574	4,182
Other off-balance sheet rights	21	207
Total received	**6,122**	**5,460**
Commitment Given		
Guarantees, Financial and Performance Letters of Credit	170	199
Available credit lines	523	1,024
Collateral and guarantees given	2,287	2,184
Entrusted assets and receivables	691	738
Capital rights & commitments	399	292
Real Estate commitments	345	531
Other off-balance sheet commitments	776	1,297
Total given	**5,191**	**6,265**

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 2022 include EUR 250 million in outstanding credit bids (31 December 2021: EUR 521 million).

In December 2021, Ageas SA/NV put two Revolving Credit Facilities in place, EUR 250 million with a 3-year tenor, and EUR 250 million with a 5-year tenor, each with the option to request two one-year extensions of the expiration date. This is included in the line ‘credit lines received’.

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Fair value of financial assets and financial liabilities

The following table shows the fair value of financial assets and liabilities measured at amortised cost.

	Level	Carrying value	31 December 2022 Fair value	Carrying value	31 December 2021 Fair value
Assets					
Cash and cash equivalents	2	1,153	1,153	1,937	1,937
Financial Investments held to maturity	1	5,420	5,927	4,351	6,497
Loans	2	15,533	13,684	14,492	15,452
Reinsurance and other receivables	2	1,993	1,991	2,149	2,146
Total financial assets		**24,099**	**22,755**	**22,929**	**26,032**
Liabilities					
Subordinated liabilities	2	2,517	2,182	2,748	2,757
Borrowings, excluding lease liabilities	2	3,182	3,177	3,056	3,056
Total financial liabilities		**5,699**	**5,359**	**5,804**	**5,813**

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.

E

Notes to the consolidated income statement

30 Insurance premiums

Gross inflow Life consists of premiums received by insurance companies for issued insurance and investment contracts. Premium inflow of insurance contracts and investment contracts with DPF is recognised in the income statement. Premium inflow of investment contracts without DPF, mainly unit-linked contracts, is (after deduction of fees) directly recognised as liabilities (deposit accounting). Fees are recognised as fee income in the income statement.

	2022	2021
Gross inflow Life	5,631	6,218
Gross inflow Non-life	4,640	4,589
General account and eliminations	(2)	(2)
Total gross inflow	**10,269**	**10,805**

	2022	2021
Net earned premiums Life	4,276	4,364
Net earned premiums Non-life	4,234	4,171
General account and eliminations	(3)	(2)
Total net earned premiums	**8,507**	**8,533**

Life

	2022	2021
Unit-linked insurance contracts		
Single written premiums	198	236
Periodic written premiums	358	250
Total unit-linked insurance contracts	**556**	**486**
Non unit-linked insurance contracts		
Single written premiums	371	354
Periodic written premiums	902	872
Group business total	*1,273*	*1,226*
Single written premiums	327	322
Periodic written premiums	426	431
Individual business total	*753*	*753*
Total non unit-linked insurance contracts	**2,026**	**1,979**
Investment contracts with DPF		
Single written premiums	1,252	1,427
Periodic written premiums	459	500
Total investment contracts with DPF	**1,711**	**1,927**
Gross premium income Life	**4,293**	**4,392**
Single written premiums	1,288	1,752
Periodic written premiums	51	74
Premium inflow deposit accounting	**1,339**	**1,826**
Gross inflow Life	**5,631**	**6,218**

	2022	2021
Gross premiums Life	4,293	4,392
Ceded reinsurance premiums	(17)	(28)
Net earned premiums Life	**4,276**	**4,364**

Non-life

Property & Casualty includes premiums received for motor, fire and other damage to property.

2022	Accident & Health	Property & Casualty	Total
Gross written premiums	1,139	3,501	4,640
Change in unearned premiums, gross	(12)	56	44
Gross earned premiums	**1,127**	**3,557**	**4,684**
Ceded reinsurance premiums	(58)	(400)	(458)
Reinsurers' share of unearned premiums	2	6	8
Net earned premiums Non-life	**1,071**	**3,163**	**4,234**

2021	Accident & Health	Property & Casualty	Total
Gross written premiums	1,093	3,496	4,589
Change in unearned premiums, gross		14	14
Gross earned premiums	**1,093**	**3,510**	**4,603**
Ceded reinsurance premiums	(50)	(383)	(433)
Reinsurers' share of unearned premiums	(2)	3	1
Net earned premiums Non-life	**1,041**	**3,130**	**4,171**

Below is a breakdown of the Non-life net earned premiums by insurance operating segment.

2022	Accident & Health	Property & Casualty	Total
Belgium	536	998	1,534
Europe	274	961	1,235
Reinsurance	261	1,210	1,471
Elimination		(6)	(6)
Net earned premiums Non-life	**1,071**	**3,163**	**4,234**

2021	Accident & Health	Property & Casualty	Total
Belgium	548	953	1,501
Europe	251	988	1,239
Reinsurance	242	1,193	1,435
Elimination		(4)	(4)
Net earned premiums Non-life	**1,041**	**3,130**	**4,171**

31 Interest, dividend and other investment income

	2022	2021
Interest income		
Interest income on cash & cash equivalents	5	2
Interest income on loans to banks	27	25
Interest income on investments	1,331	1,355
Interest income on loans to customers	324	292
Interest income on derivatives held for trading and other	47	9
Total interest income	**1,734**	**1,683**
Dividend income from equity securities	164	161
Rental income from investment property	201	211
Rental income from parking garage	456	346
Other investment income	93	26
Total interest, dividend and other investment income	**2,648**	**2,427**

Rental income from car parks in 2021 was adversely impacted by the Covid-19 pandemic, especially for airport and city centre car parks.

32 Result on sales and revaluations

	2022	2021
Debt securities classified as available for sale	(18)	17
Equity securities classified as available for sale	213	120
Financial instruments held for trading	16	9
Investment property	195	115
Capital gain (losses) on sale of shares of subsidiaries		1
Equity accounted investments	48	23
Property, plant and equipment	5	8
Assets and liabilities held at fair value through profit or loss	(29)	10
Hedging results	90	(5)
Other	101	(4)
Total Result on sales and revaluations	**621**	**294**

As described in the Note 20, 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 includes 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 of the commercial lines front book business in the UK.

In 2022, Ageas increased its interest in the joint venture Ageas Federal Life Insurance Company Ltd (AFLIC) from 49% to 74%. 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 and a non-cash capital gain of EUR 50 million was generated (see note 3 Acquisitions and disposals for more details). This gain was included in the line 'Equity accounted investments'.

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Investment income related to unit-linked contracts

	2022	2021
(Un)realised gains (losses) - insurance contracts	(428)	268
(Un)realised gains (losses) - investment contracts	(2,215)	964
(Un)realised gains (losses)	**(2,643)**	**1,232**
Investment income - insurance contracts	17	15
Investment income - investment contracts	100	159
Realised investment income	**117**	**174**
Total investment income related to unit-linked contracts	**(2,526)**	**1,406**

34 Fee and commission income

	2022	2021
Reinsurance commissions	104	107
Insurance and investment fees	238	245
Asset management	30	32
Guarantees and commitment fees	1	1
Other service fees	64	82
Total fee and commission income	**437**	**467**

The line item ‘Other service fees’ mainly relates to fees received by Ageas brokerage companies for the sale of insurance policies to third parties.

35 Other income

	2022	2021
Proceeds of sale of property intended for sale	128	128
Recovery of staff and other expenses from third parties	32	27
Other	136	127
Total other income	**296**	**282**

Total other income includes proceeds from the sale of buildings held for resale related to AGRE real estate development projects for an amount of EUR 128.1 million (2021: EUR 128.3 million), the re-invoicing of service costs related to rental activities, the turnover of service companies and the re-billing of staff and other expenses to third parties.

36 Insurance claims and benefits

	2022	2021
Life insurance	4,805	4,897
Non-life insurance	2,681	2,578
General account and eliminations	(2)	(4)
Total insurance claims and benefits, net	**7,484**	**7,471**

	2022	2021
Benefits and surrenders, gross	5,096	4,805
Change in liabilities arising from insurance and investment contracts, gross	(274)	109
Total Life insurance claims and benefits, gross	**4,822**	**4,914**
Reinsurers' share of claims and benefits	(17)	(17)
Total Life insurance claims and benefits, net	**4,805**	**4,897**

	2022	2021
Claims paid, gross	2,705	2,547
Change in liabilities arising from insurance contracts, gross	208	300
Total Non-life insurance claims and benefits, gross	**2,913**	**2,847**
Reinsurers' share of claims paid	(191)	(193)
Reinsurers' share of change in liabilities	(41)	(76)
Total Non-life insurance claims and benefits, net	**2,681**	**2,578**

37 Financing costs

	2022	2021
Subordinated liabilities	87	85
Lease liability	18	17
Borrowings from banks	27	19
Derivatives	35	5
Other	20	12
Total financing costs	**187**	**138**

38 Change in impairments

	2022	2021
Investments in equity securities and other	128	34
Investments in debt securities		
Investment property	4	
Loans	(1)	
Equity accounted investments	29	
Reinsurance and other receivables	4	3
Property, plant and equipment	2	
Goodwill and other intangible assets	1	2
Accrued interest and other assets		2
Total change in impairments	**167**	**41**

An impairment loss of EUR 29 million was recorded in the line “Equity accounted investments”, relating to the interest in Royal Sundaram General Insurance Company Limited.

39 Fee and commission expenses

	2022	2021
Securities	2	4
Intermediaries	1,087	1,154
Asset management fees	4	6
Custodian fees	5	6
Other fee and commission expenses	40	43
Total fee and commission expenses	**1,138**	**1,213**

40 Staff expenses

	2022	2021
Salaries and wages	653	590
Social security charges	143	129
Pension expenses relating to defined benefit pension plans	51	57
Defined contribution plan expenses	9	11
Share-based compensation	3	7
Other	63	58
Total staff expenses	**922**	**852**

The line item ‘Other’ includes mainly other short-term employee benefits.

Note 6 section 6.1 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.

41 Other expenses

	2022	2021
Depreciation on tangible assets		
Buildings held for own use and car parks	104	103
Leasehold improvements	6	5
Investment property	95	97
Equipment	35	32
Amortisation of intangible assets		
Purchased software	4	7
Internally developed software	8	4
Value of business acquired (VOBA)	14	11
Other intangible assets	31	30
Other		
Other rental expenses and related expenses	15	18
Variable Lease Payments	88	51
Operating and other direct expenses relating to investment property	52	51
Operating and other direct expenses relating to property for own use	66	53
Professional fees	144	121
Capitalised deferred acquisition costs	(353)	(416)
Depreciation deferred acquisition costs	375	418
Marketing and public relations costs	62	62
Information technology costs	213	197
Maintenance and repair expenses	28	19
Cost of sale of property intended for sale	118	116
Other	307	290
Total other expenses	**1,412**	**1,269**

Ageas's car park operator Interparking has arrangements whereby a variable lease is paid for car parks. Variable lease expense is higher in 2022 following the recovery from the impact of the Covid-19 pandemic.

The line item 'Operating and other direct expenses relating to investment property' is partly offset by income accounts as reported in note 35 Other Income.

41.1
Audit fees

For 2022 and 2021, these 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.

		2022		2021
	Ageas Statutory Auditors	Other Ageas Auditors	Ageas Statutory Auditors	Other Ageas Auditors
Audit fees	4	3	4	2
Audit-related fees	1		1	
Tax fees				
Other non-audit fees				
Total	**5**	**3**	**5**	**2**

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Income tax expenses

	2022	2021
Current tax expenses for the current period	201	235
Adjustments recognised in the period for current tax of prior periods	(6)	(4)
Total current tax expenses	**195**	**231**
Deferred tax arising from the current period	31	(5)
Impact of changes in tax rates on deferred taxes		(11)
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	3	
Total deferred tax expenses (income)	**34**	**(16)**
Total income tax expenses (income)	**229**	**215**

Below is a reconciliation from expected to actual income tax expense. Given the financial reporting consolidation at the Belgian top holding company Ageas SA/NV, the Group tax rate is determined at the prevailing corporate income tax rate in Belgium. Deviations between expected and actual income tax expense in the various jurisdictions in which the Ageas Group operates resulting from local tax laws and regulations, are stated at local tax rates applicable in such jurisdictions and can be broken down into the categories depicted below.

	2022	2021
Result before taxation	1,452	1,231
Applicable group tax rate	25.00%	25.00%
Expected income tax expense	363	308
Increase (decrease) against local tax rates resulting from:		
Tax exempt income (including dividend and capital gains)	(72)	(29)
Share in net result of associates and joint ventures	(62)	(111)
Disallowed items	23	21
Previously unrecognised tax losses and temporary differences	(24)	
Write-down and reversal of write-down of deferred tax assets, including current year tax-losses deemed non-recoverable	4	33
Impact of changes in tax rates on temporary differences		(11)
Foreign tax rate differential	(2)	
Adjustments for current and deferred tax of previous years	(7)	(4)
Deferred tax on investments in subsidiaries, associates and joint ventures	12	19
Local income taxes (state/city/cantonal/communal taxes)		
Other	(6)	(11)
Actual income tax expenses (income)	**229**	**215**

F

Notes to items not recorded in the consolidated statement of financial postition

43

Contingent liabilities

43.1 Contingent liabilities related to legal proceedings

Like any other financial group, 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 has become involved in legal proceedings.

On 14 March 2016 Ageas entered into a EUR 1.2 billion settlement agreement with several claimant organisations that represent a series of shareholders in collective claims before the Belgian and Dutch courts. On 23 May 2016 the parties to the settlement, i.e. Ageas, Deminor, Stichting FortisEffect, Stichting Investor Claims Against Fortis, VEB and Stichting FORsettlement requested the Amsterdam Court of Appeal to declare the settlement binding for all eligible Fortis shareholders who would not opt out before the expiry of a given period, in accordance with the Dutch Act on Collective Settlement of Mass Claims (Wet Collectieve Afwikkeling Massaschade). Ageas also reached an agreement with Mr Arnauts and Mr Lenssens, two attorneys who launched legal action against Ageas on behalf of a number of claimants, and in 2017 with the Luxembourg based company Archand s.à.r.l. and affiliated persons, to support the settlement.

On 16 June 2017, the court took the interim decision not to declare the settlement binding in its initial format. As per 16 October 2017, Ageas decided to make a final additional effort of EUR 100 million.

Per 12 December 2017, the parties submitted an amended and restated settlement agreement to the court. Consumentenclaim, an opponent of the settlement in its initial 2016 format, agreed to support the 2017 settlement.

On 13 July 2018 the Amsterdam Appeal Court declared the settlement binding on Eligible Shareholders (i.e. persons who held Fortis shares at any time between close of business on 28 February 2007 and close of business on 14 October 2008). Ageas waived its termination right on 21 December 2018, effectively making the settlement final.

This means that Eligible Shareholders were entitled to compensation for the events of 2007-2008, subject to a full release of liability with respect to these events, and in accordance with the (other) terms of the settlement agreement. It further means that Eligible Shareholders who did not timely opt out (i.e. at the latest on 31 December 2018), regardless of whether or not they timely filed a claim form, were, by operation of law, deemed to have granted such release of liability and to have waived any rights in connection with the events.

The claims filing period started on 27 July 2018 and ended on 28 July 2019. As at 31 December 2022, an amount of EUR 1,309 million had already been paid out to Eligible Shareholders and a remaining provision of EUR 1.3 million had been recognised for the settlement (see note 25 Provisions).

On 23 June 2022 Ageas announced that, except for a limited number of unresolved claims, the settlement would be closed. Final payments followed at the end of August 2022. The potential costs that Ageas has agreed to bear for the remaining unresolved claims have been provided for in the provision referred to above.

Residual proceedings

Now that the settlement has become final, the parties who supported the settlement committed to terminate their legal proceedings.

The parties who timely submitted an opt-out notice may resume their legal proceedings in the Netherlands or, as the case may be, resume or continue their legal proceedings in Belgium.

In the sections below we give a comprehensive update of all residual proceedings which were either terminated in 2022, or not terminated by 31 December 2022. These constitute contingent liabilities without provisions.

1.1 In the Netherlands

1.1.1 Cebulon

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. The forum is the Utrecht court of first instance. An introductory hearing took place on 9 September 2020 in Utrecht. The parties are now exchanging written submissions.

1.1.2 Dutch individual investor

On 29 January 2021, a Dutch individual investor initiated legal proceedings against Ageas. He claimed a compensation for the damages he allegedly suffered pursuant to the Fortis crisis in 2007-2008. The forum is the Utrecht court of first instance. An introductory hearing was held on 10 March 2021. The parties agreed to terminate the proceedings in June 2022.

1.2 In Belgium

1.2.1 Modrikamen

On 28 January 2009, a series of shareholders represented by Mr Modrikamen brought an action before the Brussels 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 8 December 2009, the Court inter alia decided that it was not competent to judge on actions against the Dutch defendants. On 17 January 2013, the Brussels Court of Appeal confirmed this judgment in this respect. In July 2014, Mr Modrikamen filed an appeal before the Supreme Court on this issue. On 23 October 2015 the Supreme Court rejected this appeal. Mr Modrikamen continued the proceedings before the commercial court regarding the sale of Fortis Bank, aiming at the payment of a compensation by BNP Paribas to Ageas, as well as by Ageas to the claimants. In an interim judgment of 4 November 2014, the court declared about 50% of the original claimants not admissible. On 29 April 2016 the Brussels Commercial Court decided to suspend the proceedings awaiting the outcome of the criminal procedure. The proceedings are now reactivated and the parties are exchanging written submissions. Nothing is claimed anymore from Ageas in these proceedings. On 7 June 2020, Ageas entered into a settlement agreement with Mr Modrikamen and his clients who timely filed an opt-out notice, pursuant to which these persons no longer continue these proceedings against Ageas SA/NV.

1.2.2 Deminor

On 13 January 2010, a series of shareholders associated with Deminor International (currently named DRS Belgium) brought an action before the Brussels Commercial Court, seeking damages based on alleged lack of/or misleading information by Fortis during the period from March 2007 to October 2008. On 28 April 2014, the court declared in an interim judgment about 25% of the claimants not admissible. The parties are in the course of terminating these proceedings.

1.2.3 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 are exchanging their last written submissions and are awaiting a pleading date and the court’s decision, for which no date has yet been set.

On 29 April 2013, a series of shareholders represented by Mr Arnauts brought an action before the Brussels Commercial Court, seeking damages based on alleged incomplete or misleading information by Fortis in 2007 and 2008; this action was suspended awaiting the outcome of the criminal proceedings. 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; this action was suspended awaiting the outcome of the criminal proceedings. 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, in the event that legal proceedings were 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 settlement.

43.2 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 3 month 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 the tender and subsequent exchange of CASHES, Ageas agreed to pay an annual indemnity to BNP Paribas Fortis SA/NV that equals the grossed up dividend on the shares that BNP Paribas Fortis SA/NV holds.

44 Events after the date of the statement of financial position

The devastating earthquake in February 2023 in Türkiye is expected to have no material impact on the consolidated financial statements of Ageas.

On 13 March 2023, Ageas announced that it initiated exclusive negotiations with La Mutuelle Epargne Retraite Prévoyance Carac (“Carac”) for the disposal of its French activities. The transaction is subject to regulatory approvals.

Following recent events at Credit Suisse and Silicon Valley Bank, Ageas has analysed its exposure to American regional banks and Credit Suisse/UBS and concluded that Ageas’ overall exposure is not material.

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 2022 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 28 March 2023 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 17 May 2023.

Brussels, 28 March 2023

Board of Directors	
Chairman	Bart De Smet
Vice-Chairman	Guy de Selliers de Moranville
Chief Executive Officer	Hans De Cuyper
Chief Financial Officer	Christophe Boizard
Chief Risk Officer	Emmanuel Van Grimbergen
Managing Director Europe	Antonio Cano
Managing Director Asia	Filip Coremans
Non-Executive Directors	Richard Jackson
	Yvonne Lang Ketterer
	Jane Murphy
	Lucrezia Reichlin
	Katleen Vandeweyer
	Sonali Chandmal
	Jean-Michel Chatagny
	Carolin Gabor (as per 18 May 2022)

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 2022

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 five 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 2022, 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 significant accounting policies and other explanatory information, and which is characterised by a consolidated statement of financial position total of EUR 100,304 million and a consolidated income statement which results in a profit for the year ("Net result for the period") of EUR 1,223 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 2022, 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.

Adequacy of the amount of the technical provisions relating to insurance activities

Description of the key audit matter
As per 31 December 2022, the technical provisions amount to EUR 77,899 million as detailed in note 19 to the consolidated financial statements and represent approximately 78% of the Group's balance sheet total. For technical provisions relating to non-life insurance activities, the provisions are mainly determined based on the prudent assessment made by claims managers, taking into account all the information available at the end of the accounting period. Regarding technical provisions relating to life insurance activities, the provisions are calculated based on actuarial techniques defined by law as well as in accordance with the technical parameters arising from the said insurance contracts. As mentioned in note 2.8.11 to the consolidated financial statements, as part of the closing of the financial year, an adequacy test is carried out to ensure that the (« life » and « non-life ») insurance liabilities are sufficient considering the expected future cash flows. When and where applicable, the technical provisions are increased by any shortfall resulting from the said adequacy test.

The adequacy test of technical liabilities 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, with respect to non-life insurance activities, mainly on the amounts paid for claims, the number of claims incurred but not yet reported and claims expenses.

For life insurance activities, the assumptions used depend mainly on mortality and longevity risks, effects related to the evolution in financial income (and in particular the interest rates) and overhead costs.

In addition, the Group has elected to apply « shadow » accounting (an option permitted by « IFRS 4 »), introducing the possible recognition of an additional liability that would result from the application of this accounting option (hereinafter referred to as the « shadow provision »). For life insurance contracts and life investment contracts that are subject to « IFRS 4 » and which are not segregated funds, this shadow provision is determined as the negative difference between the result of the adequacy test (see previous paragraph) and net unrealised capital gains of investments allocated to these contracts.

In view of the above, the measurement of the shadow provision is influenced by the result of the adequacy test.

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 procedures related to the key audit matter
We carried out verifications regarding the operational effectiveness of the controls implemented by the Group in order to ensure the quality of the data used within the adequacy test of technical provisions.

Supported by our in-house actuarial experts, we also assessed the relevance of the assumptions used in relation to current market conditions and their adequacy with respect to the technical results recorded during the year under review.

For non-life insurance activities, we have independently recalculated the adequacy level of claims reserves based on recognised actuarial techniques. We then compared our results with those of the Group and obtained satisfying documentation regarding the significant differences observed.

For life insurance activities, we have evaluated the analysis of movements in technical provisions prepared by management and, where necessary, analysed the reconciling items.

We also ensured that the flows (inward and outward) used in the adequacy test of the technical provisions were consistent with those used in the calculation of the best estimate of insurance liabilities under the « Solvency II » framework.

For a sample of contracts, we tested the accuracy of the key data included in the main technical systems and which is also used in the adequacy test of technical provisions.

Finally, we corroborated our conclusions with the Group'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.

Valuation of financial assets that are not listed on a regular market

Description of the key audit matter
The Group holds financial assets that are not listed on a regulated market. These mainly consist of corporate bonds, shares in unlisted companies and loans, details of which can be found in note 10.2 and 10.3, levels 2 and 3, 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 the main reason why we considered this subject as a key audit matter.

Our audit procedures related to the key audit matter
We obtained an understanding 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 experts have, for a sample of selected financial assets, independently recalculated the fair value. Finally, we verified compliance with the application of the accounting policies adopted by the Group.

We believe that the main assumptions used in the determination of the market value are reasonable. Our independent tests did not reveal any significant exception in determining the market value of investments for which a quoted price in an active market is not available.

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 United Nations "Sustainable Development Goals". 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 the work we have 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 2022 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, 28 March 2023

The Statutory auditor
PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV
Represented by

Kurt Cappoen
Réviseur d'Entreprises /Bedrijfsrevisor

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Ageas SA/NV Statutory Accounts 2022

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 Bolwerklaan 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. Amounts
All amounts in the sections 1.1 and 1.2. hereafter are in millions of euros, unless otherwise indicated.

6. Audit opinion
PwC issued an unqualified auditor's report on the Ageas SA/NV company financial statements.

7. Reinsurance
Ageas SA/NV has a reinsurance licence for both Life and Non-Life activities.

Reinsurance contracts (Mainly Quota-share (QS) and Loss Portfolio Transfers (LPT) arrangements) have been set up with several Ageas group companies. The group companies involved are mainly the Non-Life entities of Portugal, AG Insurance, Ageas Insurance Limited and Ageas France.

Furthermore some reinsurance contracts with the Joint Venture companies of Ageas SA/NV were set up, however these are quite limited.

Disclosure on items in the statement of financial position and income statement and regulatory requirements

1.1 Statutory results of Ageas SA/NV under Belgian Accounting Principles

Ageas SA/NV reported for the financial year 2022 a net profit of EUR 1,036 million (2021: EUR 505 million) and a shareholders' equity of EUR 6,009 million (2021: EUR 5,570 million).

1.2 Notes to the balance sheet and income statement

1.2.1 Assets

1.2.1.1 Intangible fixed assets
(2022: EUR 10 million; 2021: EUR 12 million)

1.2.1.2 Investments
(2022: EUR 9,357 million; 2021: EUR 9,199 million)

Investments in participating interests (EUR 7,542 million)
The book value of the investments in Ageas Insurance International (EUR 6,436 million) and Royal Park Investments (EUR 0.03 million) remained stable compared to last year.

Notes, bonds and receivables (EUR 1,106 million) consist mainly of loans to affiliates. The increase compared to last year stems from the purchase of FRESH securities (EUR 188 million). These securities were issued by Ageasfinlux (a subsidiary of Ageas Insurance International) in 2002 and purchased by Ageas in 2022 from external parties.

Other investments (EUR 1,026 million)
These comprise an equity portfolio (EUR 94 million), fixed income securities (EUR 741 million) and deposits with credit institutions (EUR 191 million). The noted increase is explained by the development of the reinsurance activity.

Deposits with ceding companies (EUR 789 million)
This section comprises deposits received related to inward reinsurance agreements with funds withheld agreement.

1.2.1.3 Part of the reinsurer in the technical provisions
(2022: EUR 60 million; 2021: EUR 59 million)

1.2.1.4 Debtors
(2022: EUR 470 million; 2021: EUR 507 million)
Receivables include the short-term loan towards Ageas Insurance International (EUR 375 million), which increased with EUR 65 million compared to 2021 (EUR 309 million).
The receivable on ForSettlement Foundation decreased with EUR 109 million as claims were settled by the Foundation to claimants.

1.2.1.5 Other assets
(2022: EUR 282 million; 2021: EUR 337 million)

Treasury shares
(2022: EUR 201 million; 2021: EUR 197 million)
This section comprises 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.

1.2.1.6 Prepayments and accrued income
(2022: EUR 45 million; 2021: EUR 28 million)
Accrued income relates mainly to accrued interests on intercompany loans.

1.2.2 Liabilities

1.2.2.1 Equity
(2022: EUR 6,009 million; 2021: EUR 5,570 million)

Subscribed capital
(2022: EUR 1,502 million; 2021: EUR 1,502 million)

Share premium reserve
(2022: EUR 2,051 million; 2021: EUR 2,051 million)

Legal reserve
(2022: EUR 150 million; 2021: EUR 125 million)
EUR 25 million of the profit available for appropriation was allocated to the legal reserve. The legal reserve is now 10 percent of the subscribed capital, thereby reaching the requirements under the Code of companies and associations.

Reserves not available for distribution
(2022: EUR 221 million; 2021: EUR 219 million)
Reserves not available for distribution are set up for own shares held by Ageas or its affiliates.
During 2022 EUR 95 million of own shares were acquired through the buy-back program of Ageas and EUR 61 million of own shares were cancelled or settled through share plans in 2022. An impairment on own shares of EUR 32 million was recorded as the realisation value was below the acquisition value as per closing date 2022.

Reserves available for distribution
(2022: EUR 754 million; 2021: EUR 813 million)
The decrease in the reserves available for distribution reflects mainly the transfer to the reserves not available for distribution related to the buy-back of own shares and settlement of share plans (EUR 91 million). An impairment on own shares of EUR 32 million was recorded.

Profit/loss carried forward
(2022: EUR 1,330 million; 2021: EUR 860 million)
The 2022 financial year closed with a profit of EUR 1,036 million. After profit appropriation to the legal reserves (EUR 25 million) and the proposed dividend (EUR 541 million, i.e. EUR 3 per share), the profit to be carried forward amounts to EUR 1,330 million.

1.2.2.2 Subordinated liabilities
(2022: EUR 1,745 million; 2021: EUR 1,745 million)
No changes in 2022 to be reported.

Previously, 3 subordinated liabilities had been issued:
- 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 with first call date on 2 July 2029.
- 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 with first call date on 10 June 2030.
- On 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 with first call date 24 May 2031.

1.2.2.3 Technical Provisions
(2022: EUR 1,744 million; 2021: EUR 1,563 million)
The unearned premiums reserves (EUR 315 million) and claims reserves (EUR 1,285 million) relate to intra-group inward reinsurance programs.
The technical provisions also include the equalization reserve (EUR 59 million) as a reserve for profit sharing (85 million).

1.2.2.4 Provisions for other risks and charges
(2022: EUR 336 million; 2021: EUR 635 million)
The decrease in the provisions is mainly explained by a reduction (EUR 113 million) in the provision for the Settlement following payments to eligible shareholders in 2022 and the decrease in the RPN(I) provision (EUR 186 million). See note 23 'RPN(I)' and note 25 'Provisions' of the Consolidated Financial Statements for more details.

1.2.2.5 Creditors
(2022: EUR 356 million; 2021: EUR 591 million)
The creditors relate mainly to the proposed final dividend of EUR 270 million (in total a dividend of EUR 541 million is proposed, of which an interim dividend of EUR 270 million was already settled during 2022).

1.2.2.6 Accruals and deferred income
(2022: EUR 34 million; 2021: EUR 37 million)
These mainly relate to accrued interests on the subordinated liabilities.

1.2.3 Income statement

1.2.3.1 Result of the technical account non-life business
(2022: EUR -80 million; 2021: EUR 84 million)
This result mainly comprises the result on the Non-Life Quota Share and Loss Portfolio Transfer inward reinsurance contracts. Among other, the result of 2022 was negatively impacted by several weather events, the recognition of a reserve for profit sharing (EUR 85 million) and an increase in the equalization reserve (EUR 25 million).

1.2.3.2 Result of the Life technical account
(2022: EUR -0.2 million; 2021: EUR 2 million)

1.2.3.3 Non-technical account: Investment income
(2022: EUR 1,195 million; 2021: EUR 657 million)
Investment income includes mainly the dividend received from Ageas Insurance International (EUR 1,151 million) and the interests on loans to affiliates (EUR 40 million).

1.2.3.4 Non-technical account: Investments charges
(2022: EUR 99 million; 2021: EUR 84 million)
These charges include the interests on the subordinated liabilities (EUR 55 million) and the annual indemnification on the Cashes
(EUR 27 million).

1.2.3.5 Other income
(2022: EUR 157 million; 2021: EUR 39 million)
The increase in other income relates to the decrease of the valuation of RPN(I) provision (EUR 186 million), partially compensated by the RPN(I) settlement of EUR 47 million.

1.2.3.6 Other charges
(2022: EUR 138 million; 2021: EUR 193 million)

The components of the charges are as follows:
- Services and miscellaneous goods........................ EUR 66 million
- Impairment on own shares .... EUR 32 million
- Staff expenses .... EUR 32 million
- Costs settlement foundations .... EUR 6 million

Last year's amount comprised an increase of RPN(I) (EUR 101 million), while in 2022 a positive impact of EUR 139 million was noted.

1.3
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.

1.3.1 Information on circumstances that could profoundly influence the development of the company
See note 'Forward-looking statements to be treated with caution'.

1.3.2 Information on research and development
The company did not carry out any research and development activities.

1.3.3 Branches
None

1.3.4 Events after the date of the statement of financial position
See note 44 'Events after the date of the statement of financial position' of the Consolidated Financial Statements.

1.3.5 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 2022 no capital increase or issue of warrants was made.

Non-audit assignments carried out by the auditor in 2022
In 2022, the external auditor carried out additional assignments related to other assurance services.

Use of financial instruments
See note 4 'Risk Management' of the Consolidated Financial Statements.

Corporate Governance Statement
See Report of the Board of Directors, section A.6 'Corporate Governance Statement', in the Annual Report.

Remuneration report
See Report of the Board of Directors, section A.6.7 'Report of the Remuneration Committee', in the Annual Report.

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, nederlandstalige
Internet address :	www.ageas.com
Company number :	451.406.524
Date :	2022-05-24 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 :	2023-05-17
concerning the financial year covering the period from :	2022-01-01 to 2022-12-31
previous period from :	2021-01-01 to 2021-12-31

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

(name and function)
Bart De Smet - Chairman of the Board

Signature

(name and function)
Hans De Cuyper - CEO

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
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

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 31/12/2022 (in Euro units)

Assets	Codes	Current period	Previous period
A. -	**-**		
B. Intangible assets (statement 1)	**21**	10,176,961	11,695,245
I. Formation expenses	211	10,176,962	11,603,033
II. Intangible assets	212	(0)	92,212
1. Goodwill	212.1		
2. Other intangible assets	212.2	(0)	92,212
3. Prepayments	212.3		
C. Investments (statements 1, 2 and 3)	**22**	9,357,256,926	9,198,833,400
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	7,542,167,188	7,359,411,181
- Affiliated undertakings	222.1	7,476,370,192	7,293,892,953
1. Participating interests	222.11	6,436,159,584	6,436,159,584
2. Notes, bonds and receivables	222.12	1,040,210,608	857,733,369
- Undertakings linked by virtue of a participating interest	222.2	65,796,996	65,518,228
3. Participating interests	222.21	29,927	29,927
4. Notes, bonds and receivables	222.22	65,767,070	65,488,301
III. Other financial investments	223	1,026,159,457	987,214,268
1. Equities, shares and other variable income securities (statement 1)	223.1	93,996,314	58,726,861
2. Debt securities and other fixed-income securities (statement 1)	223.2	741,140,988	658,480,395
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	191,022,155	270,007,011
7. Other	223.7		
IV. Deposits with ceding undertakings	224	788,930,280	852,207,952
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**	6,009,238,490	5,570,129,147
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	1,126,063,511	1,156,654,350
1. Legal reserve	114.1	150,236,427	125,060,297
2. Unavailable reserve	114.2	221,475,962	218,514,432
a) for own shares	114.21	221,475,962	218,514,432
b) other	114.22		
3. Untaxed reserve	114.3		
4. Available reserve	114.4	754,351,122	813,079,621
V. Result carried forward	115	1,329,834,347	860,134,165
1. Profit carried forward	115.1	1,329,834,347	860,134,165
2. Loss carried forward (-)	115.2		
VI. -	-		
B. Subordinated liabilities (statements 7 and 18)	12	1,745,994,610	1,745,427,640
Bbis. Funds for future dotations	**13**		
C. Technical provisions (statement 7)	**14**	1,744,043,421	1,562,792,214
I. Provisions for unearned premiums and unexpired risks	141	315,214,060	332,447,484
II. Life insurance provision	142		
III. Claims reserve	143	1,285,460,405	1,196,287,848
IV. Provision for bonuses and rebates	144	84,780,845	
V. Provision for equalization and catastrophes	145	58,588,111	34,056,882
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 31/12/2022 (in Euro units)

Assets	Codes	Current period	Previous period
Dbis. Reinsurers' share of technical provisions	**24**	60,030,229	58,573,396
I. Provisions for unearned premiums and unexpired risks	241	1,550,132	1,602,252
II. Life insurance provision	242		
III. Claims outstanding	243	58,480,097	56,971,143
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**	470,465,958	506,633,785
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	82,377,116	81,891,610
III. Other receivables	413	388,088,842	424,742,175
IV. Subscribed capital called but not paid	414		
F. Other assets	**25**	281,643,587	336,958,055
I. Tangible assets	251	8,669,199	820,089
II. Cash at bank and in hand	252	72,433,002	139,098,212
III. Own shares	253	200,528,883	197,027,252
IV. Other	254	12,503	12,503
G. Accrued charges and deferred income (statement 4)	***431/433***	45,094,664	27,782,795
I. Accrued interest and rent	431	26,515,456	22,985,496
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	18,579,209	4,797,299
TOTAL	***21/43***	10,224,668,325	10,140,476,675

Liabilities	Codes	Current period	Previous period
E. Provisions for other risks and charges	**16**	335,622,096	634,775,225
I. Provisions for pensions and similar obligations	161		
II. Provisions for taxes	162		
III. Other provisions (statement 6)	163	335,622,096	634,775,225
F. Deposits received from reinsurers	**17**		
G. Debts (statements 7 and 18)	**42**	355,657,557	590,710,245
I. Payables from direct insurance operations	421		
II. Reinsurance payables	422	53,170,029	64,577,872
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	302,487,528	526,132,373
1. Tax, salary and social liabilities	425.1	7,666,213	6,116,446
a) Taxes	425.11	26,435	25,621
b) Remuneration and social charges	425.12	7,639,778	6,090,826
2. Other	425.2	294,821,315	520,015,926
H. Accrued charges and deferred income (statement 8)	***434/436***	34,112,151	36,642,202
TOTAL	***11/43***	10,224,668,325	10,140,476,674

Annex to the Royal Decree on the annual accounts of insurance companies

Chapter I. Structure of the annual accounts
Section I. Income statement at 31/12/2022 (in Euro units)

I. Non-life technical account

Name		Codes	Current period	Previous period
1.	**Premiums earned, net of reinsurance**	**710**	1,471,400,381	1,414,323,152
	a) Gross premiums written (statement 10)	710.1	1,544,086,624	1,512,236,974
	b) Outward reinsurance premiums (-)	710.2	(89,867,547)	(83,159,518)
	c) Change in the gross provisions for unearned premiums and in the provision for unexpired risks, gross amount	710.3	17,233,424	(15,514,141)
	d) Change in provisions for unearned premiums and unexpired risks, reinsurers' share	710.4	(52,121)	759,837
2.	**Allocated investment income transferred from the non-technical account (item 6)**	**711**		
2bis.	**Investment income**	**712**	23,040,522	28,534,930
	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	23,040,522	28,534,930
	aa) Income from land and buildings	712.21		
	bb) Income from other investments	712.22	23,040,522	28,534,930
	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**		(1)
4.	**Claims incurred, net of reinsurance (-)**	**610**	(892,685,967)	(856,284,152)
	a) Claims paid, net of reinsurance	610.1	794,827,326	692,563,504
	aa) gross amounts (statement 10)	610.11	829,245,136	724,373,437
	bb) reinsurers' share (-)	610.12	(34,417,811)	(31,809,933)
	b) Change in provision for claims, gross of reinsurance (increase +, decrease -)	610.2	97,858,641	163,720,648
	aa) Change in provisions for claims, gross amount (statement 10) (increase +,decrease -)	610.21	99,367,595	169,520,909
	bb) Change in provisions for claims, reinsurers' share (increase -, decrease +)	610.22	(1,508,954)	(5,800,261)

Annex to the Royal Decree on the annual accounts of insurance companies

Chapter I. Structure of the annual accounts
Section I. Income Statement at 31/12/2022 (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**	(84,780,845)	
7.	**Net operating expenses (-)**	**613**	(527,531,319)	(548,049,307)
	a) Acquisition costs	613.1	530,187,207	552,668,944
	b) Change in the amount of acquisition costs carried expensed in assets (increase -, decrease +)	613.2		
	c) Administration expenses	613.3	4,190,501	2,596,568
	d) Commissions received from reinsurers and profit-sharing (-)	613.4	(6,846,389)	(7,216,204)
7bis.	**Investment expenses (-)**	**614**	(4,497,056)	(7,169,126)
	a) Investment management expenses	614.1	1,096,267	7,169,126
	b) Valuation adjustments on investments	614.2		
	c) Losses on disposals	614.3	3,400,789	
8.	**Other technical costs, net of reinsurance (-)**	**616**	(40,014,176)	52,276,959
9.	**Change in provisions for equalisation and disasters, net of reinsurance (increase -, decrease +)**	**619**	(24,531,229)	(338,362)
10.	**Result of the non-life technical account**			
	Profit (+)	*710 / 619*		83,970,817
	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. Income Statement at 31/12/2022 (in Euro units)

II. Life technical account

Name		Codes	Current period	Previous period
1.	**Net reinsurance premiums**	**720**	**30,192,777**	**44,245,200**
	a) Gross premiums written (statement 10)	720.1	30,192,777	**44,245,200**
	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**		
5.	**Cost of claims, net of reinsurance (-)**	**620**	**(29,513,979)**	**(36,428,975)**
	a) Net amounts paid	620.1	39,709,017	**31,029,408**
	aa) gross amounts	620.11	39,709,017	**31,029,408**
	bb) reinsurers' share (-)	620.12		
	b) Change in provision for claims, net of reinsurance (increase +, decrease -)	620.2	(10,195,038)	**5,399,567**
	aa) Change in provisions for claims, gross from reinsurance (increase +, decrease -)	620.21	(10,195,038)	**5,399,567**
	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. Income Statement at 31/12/2022 (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**	**(907,261)**	**(6,094,077)**
	a) Acquisition costs	623.1	161,879	5,444,935
	b) Change in the amount of acquisition costs carried expensed in assets (increase -, decrease +)	623.2	0	0
	c) Management costs	623.3	745,382	649,142
	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*	0	1,722,148
	Loss (-)	*628 / 720*	(228,463)	0

Annex to the Royal Decree on the annual accounts of insurance companies

Chapter I. Structure of the annual accounts
Section I. Income Statement at 31/12/2022 (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)*	0	83,970,817
	Loss (-)	*(619 / 710)*	(79,599,689)	0
2.	**Result of the technical account - life insurance business (item 13)**			
	Profit (+)	*(720 / 628)*	0	1,722,148
	Loss (-)	*(628 / 720)*	(228,463)	0
3.	**Investment income**	**730**	**1,195,171,953**	**656,697,569**
	a) Income from investments in affiliated undertakings or in undertakings by a participating interest	730.1	1,194,034,768	656,503,830
	b) Income from other investments	730.2	1,137,185	193,739
	aa) Income from land and buildings	730.21	0	0
	bb) Income from other investments	730.22	1,137,185	193,739
	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**	**(98,826,590)**	**(83,620,891)**
	a) Investment management expenses	630.1	98,826,590	83,620,891
	b) Valuation adjustments on investments	630.2	0	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**	**156,849,307**	**39,221,928**
8.	**Other charges (statement 13) (-)**	**632**	**(137,707,190)**	**(192,746,943)**
8bis.	**Profit or loss on ordinary activities before taks**			
	Profit (+)	*710 / 632*	1,035,659,327	505,244,628
	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. Income Statement at 31/12/2022 (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**	**150,498**	**72,858**
15bis.	**Deferred taxes (-/+)**	**635 / 735**	**0**	**0**
16.	**Profit/(loss) for the financial year**			
	Profit (+)	*710 / 635*	1,035,508,830	505,171,770
	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*	1,035,508,830	505,171,770
	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 Income Statement at 31/12/2022 (in Euro units)

III. Non-technical account

	Name	Codes	Current period	Previous period
A.	**Profit to be appropriated**	**710 / 637.1**	**1,895,642,995**	**1,380,290,968**
	Loss to be appropriated (-)	**637.1 / 710**	**0**	**0**
	1. Profit for the financial year available for appropriation	710 / 636	1,065,508,830	505,171,770
	Loss for the financial year available for appropriation (-)	636 / 710	0	0
	2. Profit carried forward from the previous financial year	737.1	860,134,165	875,119,198
	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**	**(25,176,130)**	**(25,258,589)**
	1. to the capital and share premium reserves	637.2	0	0
	2. to legal reserve	637.31	25,176,130	25,258,589
	3. to other reserves	637.32	0	0
D.	**Result to be carried forward**			
	1. Profit to be carried forward (-)	637.4	(1,329,834,347)	(860,134,165)
	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**	**(540,632,518)**	**(494,898,214)**
	1. Dividends	637.5	540,632,518	494,898,214
	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

	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
				Asset items concerned				Asset items concerned		Asset items concerned	
				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	857,733,369	29,927	65,488,301	58,726,861	658,480,395
	Changes during the financial year:			0	0	0	188,421,250	0	0	35,269,453	82,660,593
	- Acquired		8.01.021	0	0	0	188,421,250	0	0	35,269,453	85,226,399
	- 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	0	0	0	0	(522,806)
	During the financial year		08.01.03	15,207,946	0	6,436,159,584	1,046,154,619	29,927	65,488,301	93,996,314	741,140,988
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	3,512,702	0	0	0	0	0	0	0
	Changes during the financial year:			1,518,283	0	0	0	0	0	0	0
	- Recognised		8.01.081	1,518,283	0	0	(1,331,944)	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	5,030,985	0	0	(1,331,944)	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	0	0	0	0	0
	Changes during the financial year:	(+)(-)	08.01.14	0	0	0	(7,275,956)	0	278,769	0	0
	During the financial year	(+)(-)	08.01.15	0	0	0	(7,275,956)	0	278,769	0	0
	NET CARRYING AMOUNT AT THE END OF THE FINANCIAL YEAR (a) + (b) - (c) - (d) +/- (e)		08.01.16	10,176,961	0	6,436,159,584	1,040,210,608	29,927	65,767,070	93,996,314	741,140,988

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		Social rights held by the subsidiaries	Data from the latest available annual accounts			
	Figures	%	%	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 Bolwerklaan 21 B - 1210 Brussel NN 0807.882.811	3,800,000	45	0	31/12/2021	EUR	830	1,467
Ageas Insurance International NV Bolwerklaan 21 B - 1210 Brussel NN 0718.677.849	792,001,700	100	0	31/12/2021	EUR	6,068,978	737,970

No. 3. Present value of investments (art. 38)

Asset items		Codes	Amounts
C.	**Investments**	08.03	9,155,074,010
	I. Land and buildings	8.03.221	0
	II. Investments in affiliated enterprises and participations	8.03.222	7,519,224,480
	- Affiliated enterprises	8.03.222.1	7,456,085,177
	1. Participating interests	8.03.222.11	6,436,159,584
	2. Notes. bonds and receivables	8.03.222.12	1,019,925,593
	- Undertakings linked by virtue of a participating interest	8.03.222.2	63,139,303
	3. Participating interests	8.03.222.21	32,906
	4. Notes. bonds and receivables	8.03.222.22	63,106,397
	III. Other financial investments	8.03.223	857,435,009
	1. Equities, shares and other variable income securities	8.03.223.1	97,177,872
	2. Debt securities and other fixed income securities	8.03.223.2	569,234,983
	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	191,022,155
	7. Other	8.03.223.7	0
	IV. Deposits with ceding undertakings	8.03.224	778,414,520

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	612,362,996	573,024,990
	C.II.4	Notes. bonds and receivables	65,767,070	63,106,397
	C.III.I	Equities, shares and other variable income securities	35,557,013	34,904,594
	C.III.2	Debt securities and other fixed income securities	696,184,528	553,818,770

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.I	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	18,579,209

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	189,731,187
2.2. Registered or dematerialised shares			
Registered	8.05.1.21	xxxxxxxxxxxxxxxxxxxxxxx	9,695,077
Dematerialised	8.05.1.22	xxxxxxxxxxxxxxxxxxxxxxx	180,036,110

	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	200,528,883	4,841,354
- its subsidiaries	8.05.3.2	20,947,077	1,234,018
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 31/12/2022

- Fosun 10.01%
- BlackRock Inc................ 6.59%
- FPIM-SFPI..................... 6.33%
- Ageas 3.01%

On 31 December 2022 the members of the Board of Ageas SA/NV jointly held 395,344 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	1,322,096
Provision RPN(I)	334,300,000

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	1,745,994,610
	I. Convertible bonds	8.07.1.121	
	II. Non-convertible bonds	8.07.1.122	1,745,994,610
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**	**1,745,427,640**

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	608,975,723
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**	**608,975,723**

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	26,435
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	7,639,778

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	4,182,833
Accrued charges – Other	1,456,395
Accrued charges – Foundations	28,216,591
	33,855,819

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 14 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	1,544,086,624												1,544,086,624
Gross earned premiums	8.10.02	1,561,320,048												1,561,320,048
Gross cost of claims	8.10.03	928,612,731												928,612,731
Gross operating expense	8.10.04	534,377,707												534,377,707
Reinsurance balance	8.10.05	(48,103,554)												(48,103,554)
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**		
	Gross premiums:	8.10.17.720.1	30,192,777

II. 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	182	162
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	173	161
	- Management staff	8.11.11.1		
	- Employees	8.11.11.2	173	161
	- Workers	8.11.11.3		
	- Other	8.11.11.4		
c)	the numbers of hours worked	8.11.12	255,440	234,318

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	392	406

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	2,058,256
	1. a) Remuneration	8.12.111	2,058,256
	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	2,877,628
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	988,720
	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	988,720
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**	**5,924,603**

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.**	**156,849,307**
	- Re-invoicing staff expenses	11,725,457
	- Change provision Fortis Settlement	4,250,000
	- Other	1,377,513
	- Provision compensation RPN(I)	139,496,337
B.	**Breakdown of OTHER EXPENSES (item 8. of the non-technical account), if material.**	**137,707,190**
	- Services & goods	66,442,811
	- Impairment on own shares	32,082,374
	- Staff expenses	31,939,984
	- Depreciations	783,881
	- Costs related to foundations	5,841,629
	- Other	16,512

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	150,498
	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	150,498
	a) Additional taxes due or paid:	8.15.1.634.21	150,498
	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		1,035,659,327
	Definitively taxed income (DTI)		(1,035,659,327)
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	13,433,798,427
	a) Accumulated tax losses deductible from subsequent taxable profits	8.15.4.11	10,551,989,298
	b) DTI deduction		2,886,953,850
	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	11,709,665	11,182,081
	2. Withholding tax (on dividends)	8.16.22	208,674,483	125,314,084

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	608,975,723
	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	
Gbis.	**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 44 – Events after the date of the statement of financial position in the Ageas's Consolidated Financial Statements.**	8.17.06B	
H.	**Other (please specify):**	8.17.07	

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	7,476,370,192	7,293,892,953	65,796,996	65,518,228
	1 + 3 Participations	8.18.222.01	6,436,159,584	6,436,159,584	29,927	29,927
	2 + 4 Notes, bonds and receivables	8.18.222.02	1,040,210,608	857,733,369	65,767,070	65,488,301
	- subordinated	8.18.222.021				
	- other	8.18.222.022	1,040,210,608	857,733,369	65,767,070	65,488,301
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	457,819,119	391,165,728		
	I. Receivables from direct insurance operations	8.18.411				
	II. Reinsurance from reinsurance operations	8.18.412	82,377,116	81,891,610		
	III. Other receivables	8.18.413	375,442,003	309,274,118		
F.	**Subordinated liabilities**	8.18.12				
G.	**Debts**	8.18.42	47,190,805	26,803,487		
	I. Direct insurance payables	8.18.421				
	II. Reinsurance payables	8.18.422	47,190,805	26,803,487		
	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	16,920,255	16,401,809

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	7,630,918
	- 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	768,260
2.	Fees for exceptional services or special missions performed within the company by the statutory auditor(s)	8.19.6	284,853
	- Other attestation missions	8.19.61	0
	- 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, or if the stock price remains below its acquisition value for 365 consecutive days. This accounting policy is applicable except when other indicators are deemed to be more appropriate. In case the assessment leads to a value lower than its book value, an impairment loss, equal to the difference between the carrying amount and the fair value, is recorded. If the assessment leads to a value higher than its carrying amount, a reversal of the impairment loss, equal to the difference between the carrying amount and the fair value, is recorded up to the maximum amount of the impairment losses recorded in prior periods. 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.

An impairment loss is recognized to the extent that there is a risk that the issuer would not or not fully meet its obligations. The assessment of this risk is based on the notion of a credit event as detailed in IAS 39.58-62 (EU version). Where appropriate, the impairment loss is also determined in accordance with the principles of IAS 39.

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 for at nominal value or acquisition value, as appropriate. Impairment losses are recorded to the extent that a risk exists that the debtor would not or not fully meet its obligations. The assessment of this risk is based on the notion of a credit event as detailed in IAS 39.58-62 (EU version). Where appropriate, the impairment amount is also determined in accordance with the principles of IAS 39.

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

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

(*) 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 2022, pro rata temporis over the remaining life of the securities, of the difference between the acquisition cost and the redemption value represents a cost of EUR 6,431,789.

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 decreased from EUR 520.4 million at the end of 2021 to EUR 334.3 million on 31 December 2022, mainly as a result of a decrease in the CASHES price from 95.61% to 79.17% in 2022, and a decrease in the Ageas share price from EUR 45.55 to EUR 41.42 over the same period. The total number of outstanding CASHES decreased by 465 as a result of a conversion.

Please refer to the note 23 ‘RPN (I)’ in the Ageas’s Consolidated Financial Statements.

Contingent liabilities related to legal proceedings

Please refer to the note 43 ‘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 conflict of interest, extracts of the minutes of the meetings are included in the current Report of the Board of Directors attached to the statutory financial statements of Ageas SA/NV.

Board meeting of 8 November 2022– conflict of interest for the members of the Executive Committee with respect to the remuneration review.

It was noted that all EXCO members but Mr. De Cuyper would leave the meeting for the first part of the report of the Remuneration Committee, relating to the review of their remuneration.

Statutory Auditor's Report

Statutory Auditor's Report to the general shareholders' meeting of Ageas on the Annual Accounts for the year ended 31 December 2022

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 five 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 2022, 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 10,224,668,325 and a profit and loss account showing a profit for the year of EUR 1,035,508,830.

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 2022, 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 matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual accounts of the current period. These matters were 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 these matters.

Adequacy of the amount of the technical provisions

Description of the key audit matter

As per 31 December 2022, the technical provisions amount to EUR 1,744,043,421. 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 procedures 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 United Nations « Sustainable Development Goals ». 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 8 November 2022 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, 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, 28 March 2023

The Statutory auditor
PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV
Represented by

Kurt Cappoen
Réviseur d'Entreprises / Bedrijfsrevisor

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 CAC)

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 liabilities as of 30 June 2022 to the board of directors of Ageas SA/NV (hereafter "Company"), in accordance with article 7:213 of the Companies' and Associations' Code (hereafter "CAC") and the Company's articles of Articles of Association.

We have performed the review of the accompanying statement of assets and liabilities of the Company as of 30 June 2022 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 2022 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 requirements 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 Information 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 applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, a review does not enable 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 accompanying statement of assets and liabilities of the Company as of 30 June 2022, showing a balance sheet total of EUR 10.274.768.836 and retained earnings of EUR 1.467.303.512, has not been prepared, in all material respects, in accordance with the financial reporting framework applicable in Belgium.

Limitation of use of our report

This report is prepared solely to address the requirements of article 7:213 of the Companies' and Associations' Code, and may not be used for any other purpose.

Diegem, 9 August 2022

The statutory auditor
PwC Bedrijfsrevisoren BV/PwC Reviseurs d'Entreprises SRL
Represented by

Kurt Cappoen
Réviseur d'Entreprises / Bedrijfsrevisor

Appendix:
Statement of assets and liabilities as of 30 June 2022

Appendix:
Statement of assets and liabilities as of 30 June 2022

	Assets	Codes	30-6-2022	31-12-2021
A.	**-**	**-**		
B.	**Intangible assets (statement 1)**	**21**	10.889.997	11.695.245
	I. Formation expenses	211	10.889.997	11.603.033
	II. Intangible assets	212	0	92.212
	1. Goodwill	212.1	0	0
	2. Other intangible assets	212.2	0	92.212
	3. Advances paid	212.3	0	0
C.	**Investments (statements 1, 2 and 3)**	**22**	9.292.163.580	9.198.833.400
	I. Land and buildings (statement 1)	221	204.368	0
	1. Buildings used by the company as part of its own business	221.1	0	0
	2. Other	221.2	204.368	0
	II. Investments in affiliated enterprises and participations (statements 1, 2 and 18)	222	7.360.168.009	7.359.411.181
	Affiliated entreprises	222.1	7.291.680.091	7.293.892.953
	1. Participating interests	222.11	6.436.159.584	6.436.159.584
	2. Notes, bonds and receivables	222.12	855.520.507	857.733.369
	Other companies with which there is a participation link	222.2	68.487.918	65.518.228
	3. Participating interests	222.21	29.927	29.927
	4. Notes, bonds and receivables	222.22	68.457.991	65.488.301
	III. Other financial investments	223	1.107.663.859	987.214.268
	1. Equities, shares and other variable income securities (statement 1)	223.1	84.260.305	58.726.861
	2. Bonds and other Fixed income securities (statement 1)	223.2	683.396.563	658.480.395
	3. Shares in investment funds	223.3	0	0
	4. Loans and mortgages	223.4	0	0
	5. Other loans	223.5	0	0
	6. Deposits with other credit Institutions	223.6	340.006.991	270.007.011
	7. Other	223.7	0	0
	IV. Deposits with ceding entities	224	824.127.345	852.207.952
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**	117.041.315	58.573.396
	I. Provisions for unearned premiums and current risks	241	47.742.495	1.602.252
	II. Life insurance provision	242	0	0
	III. Claims provision	243	69.298.821	56.971.143
	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**	548.726.604	506.633.785
	I. Receivables from direct insurance operations	411	0	0
	1. Policyholders	411.1	0	0
	2. Insurance intermediaries	411.2	0	0
	3. Other	411.3	0	0
	II. Receivables from reinsurance	412	129.168.167	81.891.610
	III. Other receivables	413	419.558.437	424.742.175
	IV. Subscribed capital, called but not paid up	414	0	0
F.	**Other assets**	**25**	293.738.791	336.958.055
	I. Property, plant and equipment	251	603.444	820.089
	II. Liquid assets	252	62.002.735	139.098.212
	III. Treasury shares	253	231.120.109	197.027.252
	IV. Other	254	12.503	12.503
G.	**Deferred charges and accrued income (statement 4)**	***431/433***	12.208.548	27.782.795
	I. Accrued interest and rent	431	9.160.622	22.985.496
	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	3.047.926	4.797.299
	Total	***21/43***	10.274.768.836	10.140.476.675

	Liabilities	Codes	30-6-2022	31-12-2021
A.	**Shareholders' equity (statement 5)**	**11**	6.146.707.656	5.570.129.147
	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	1.126.063.511	1.156.654.350
	1. Legal reserve	114.1	150.236.427	125.060.297
	2. Reserves not available for distribution	114.2	252.607.289	218.514.432
	a) for treasury shares	114.21	252.607.289	218.514.432
	b) other	114.22	0	0
	3. Untaxed reserves	114.3	0	0
	4. Reserves available for distribution	114.4	723.219.795	813.079.621
	V. Result carried forward	115	1.467.303.512	860.134.165
	1. Profit carried forward	115.1	1.467.303.512	860.134.165
	2. Loss carried forward (-)	115.2	( )	( )
	VI. -	-	0	
B.	**Subordinated liabilities (statements 7 and 18)**	12	1.745.711.125	1.745.427.640
B a.	**Funds for future provisions**	**13**	0	0
C.	**Technical provisions (statement 7)**	**14**	1.751.555.559	1.562.792.214
	I. Provisions for unearned premiums and current risks	141	415.784.514	332.447.484
	II. Life insurance provision	142	0	0
	III. Claims provision	143	1.225.557.275	1.196.287.848
	IV. Provision for participations in profits and dividends	144	76.156.887	0
	V. Provision for equalisation and disasters	145	34.056.882	34.056.882
	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**	524.681.744	634.775.225
	I. Provisions for pensions and similar obligations	161	0	0
	II. Provisions for taxes	162	0	0
	III. Other provisions (statement 6)	163	524.681.744	634.775.225
F.	**Deposits received from reinsurers**	17	0	0
G.	**Payables (statements 7 and 18)**	**42**	89.586.486	590.710.245
	I. Payables from direct insurance operations	421	0	0
	II. Reinsurance payables	422	55.830.689	64.577.872
	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	33.755.797	526.132.373
	1. Tax, salary and social liabilities	425.1	9.462.013	6.116.446
	a) Taxes	425.11	4.187.218	25.621
	b) Remuneration and social charges	425.12	5.274.795	6.090.826
	2. Other	425.2	24.293.784	520.015.926
H.	**Accrued charges and deferred income (statement 8)**	***434/436***	16.526.267	36.642.202
	Total	***11/43***	10.274.768.836	10.140.476.675

H

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, including increasing competition in Belgium;
- 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 can be inspected at the Registry of the Commercial Court in Brussels (Ageas SA/NV) and at the company's registered office.

The Annual Report is filed with the National Bank of Belgium (Ageas SA/NV). Resolutions on the (re)election and removal of Ageas Board members are published in annexes to the Belgian Law Gazette (Ageas SA/NV) and elsewhere.

Financial reports on the company 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, are available at the company's registered office in Brussels free of charge to all shareholders and to any interested third party.

The Annual Report is also filed with the National Bank of Belgium. The Annual Report is sent in paper only to registered shareholders upon their explicit request and is available on the website of Ageas.

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

Rue du Marquis 1, 1000 Brussels, Belgium (*Please note that Ageas's registered offices will be at Manhattan Center Brussels, Avenue du Boulevard 21, 1210 Brussels, Belgium, as from 21 April 2023.*)

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 2022 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 2022 (AR)
GRI 1 - Foundation 2021			
	Publish a GRI content index	AR	• H Other information - GRI Content Index
	Statement of use		• 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 General note - 1 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 General note - 1 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 General Notes - 1 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 General notes - 7 Related parties

GRI standard reference	Disclosure		Section in the annual report 2022 (AR)
2-16	Communication of critical concerns	AR	• A Report of Board of Directors - 5.7 Safe, secure and compliance insurance - Whistleblowing
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 2022 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 General notes - 4 Risk management
103-3	Evaluation of the management approach	AR	• A Report of Board of Directors - 3 Our 2022 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 2022 performance • B Consolidated financial statements 2022 - Consolidated income statement • C General notes - 8 Information on operating segments • E Notes to the Consolidated Income Statement
201-3	Defined benefit plan obligations and other retirement plans	AR	• C General notes - 6 Remuneration and benefits - section 6.1
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 General notes - 4 Risk management
103-3	Evaluation of the management approach	AR	• A Report of Board of Directors - 3 Our 2022 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

GRI standard reference	Disclosure		Section in the annual report 2022 (AR)
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

Environmental

GRI standard reference	Disclosure		Section in the annual report 2022 (AR)
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 2022 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

GRI standard reference	Disclosure		Section in the annual report 2022 (AR)
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 2022 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

GRI standard reference	Disclosure		Section in the annual report 2022 (AR)
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 2022 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 GR305 • 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. Our Impact24 Strategy reaffirms our commitments to the Ten Principles of the UN Global Compact.

The table below contains information and detailed references to material in the 2022 Ageas Annual Report or on the Ageas sustainability webpages that addresses the UN Global Compact principles.

UN Global Compact 10 Principles	Ageas's actions in 2022	Reference (AR = Annual Report)
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 - e-learning: AR Note 5.2.4 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

UN Global Compact 10 Principles	Ageas's actions in 2022	Reference (AR = Annual Report)
2 Human rights		
PRINCIPLE 1: Businesses should support and respect the protection of internationally proclaimed human rights; and PRINCIPLE 2: Make sure they are not complicit in human rights abuses.	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
	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
	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 - e-learning: AR Note 5.2.4 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
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 5.2.4 Talent management, talent retention and talent development
	Performance	• Overall: AR Note 5.8 Sustainability and non-financial indicators - Our employees • AR Note 5.2.2 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.4 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

UN Global Compact 10 Principles	Ageas's actions in 2022	Reference (AR = Annual Report)
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 5.2.4 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 - Zooming on the prevention of corruption • AR Note 5.7.1 Ethics and integrity, the pillars of responsible business conduct - Protecting your data carefully
	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 as from now 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 2022 to demonstrate its commitment to the PSI.

	Principles of Sustainable Insurance	Ageas's actions in 2022	Reference within Ageas's 2022 Annual Report
1	We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.	• First year of Impact24 strategy with first time 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 H. 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.	• First 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 H. Ageas's response to the TCFD recommendations • https://sustainability.ageas.com/reporting • Note A.5.6 EU taxonomy

	Principles of Sustainable Insurance	Ageas's actions in 2022	Reference within Ageas's 2022 Annual Report
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 • Support to the EVPA event • 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, CO_2, taxes, lobbying, memberships, UN GC principles • Responding to several ESG rating agencies, 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: TCFD report 2021.

Ageas is increasing its efforts to contribute to the Paris agreements, strenghtening its response to the TCFD recommendations.

TCFD recommendations		Reference
Governance	Disclose the company's governance around climate-related risks and opportunities. a) Describe the board's oversight of climate related risks and opportunities b) Describe management's role in assessing and managing climate related 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 climate related 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 2022 note A.4 Strategy and business model of Ageas • updated Responsible Investment Framework - AR 2022 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 2022 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 2022 note C.4.6 Risk taxonomy, and 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 2022 note 5.8 Sustainability and non-financial indicators • detailed information on products - AR 2022 noted 5.3 Our products • detailed information on investments - AR 2022 note 5.4 Our investments • detailed information on CO_2 targets - AR 2022 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.

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%).

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.

Credit loss
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 expect 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
A contractual right to receive, as a supplement to guaranteed benefits, additional benefits:
- That are likely to be a significant proportion of the total contractual benefits;
- Whose amount or timing is contractually at the discretion of the issuer and
- That are contractually based on: (i) the performance of a specified pool of contracts or a specified type of contract; (ii) realised and/or unrealised investment returns on a specified pool of assets held by the issuer; or (iii) the profit or loss of the company, fund or other entity that issues the contract.

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.

Expected credit losses (ECL)
The weighted average of credit losses with the respective risk 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.

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.

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	Türkiye, New Lira
TWD	Taiwan, New Dollars
USD	United States of America, Dollars
ZAR	South Africa, Rand

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.

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.

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.

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.

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.

Shadow accounting
According to IFRS 4 an insurer is permitted, but not required, to change its accounting policies so that a recognised but unrealised gain or loss on an asset affects the measurement of the insurance liabilities. The related deferred adjustment to the insurance liability (or deferred acquisition costs or intangible assets) is recognised in equity only if the unrealised gains or losses are recognised directly in equity.

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.

SPPI (Solely Payments of Principal and Interest)
A financial asset meets the SPPI test if the contractual terms of the financial asset 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.

Value of business acquired (VOBA)
The present value of future profits from acquired insurance contracts. VOBA is recognised as an intangible asset and amortised over the period in which the premiums or gross profits of the policies are recognised.

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.

Abbreviations

AFS	Available-for-sale
ALM	Asset and liability management
CASHES	Convertible and subordinated hybrid equity-linked securities
CDS	Credit default swap
CEU	Continental Europe
CGU	Cash generating unit
DPF	Discretionary participation features
ECL	Expected credit losses
EPS	Earnings per share
Euribor	Euro interbank offered rate
EV	Embedded value
FRESH	Floating rate equity linked subordinated hybrid bond
GDPR	General Data Protection Regulation
HTM	Held-to-maturity
HFT	Held for trading
IBNR	Incurred but not reported
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
LAT	Liability Adequacy Test
MCS	Mandatory convertible securities
NA	Not applicable
OTC	Over the counter
SPPI	Solely Payments of Principal and Interest
SPV	Special purpose vehicle
UK	United Kingdom

Supporter of your life

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