



# AGEAS TAX DISCLOSURE

UPDATED VERSION AS PER 28.06.2022

As a major international insurance Group, Ageas operates in a large number of jurisdictions across the globe and understands the importance of how taxes paid by businesses can positively benefit local economies and communities. To successfully operate within societies there is a need for corporates to ensure that taxes are correctly calculated and paid to governments.

## TAX APPROACH

Ageas' tax approach aims to ensure that the Ageas Group is a responsible tax payer with adequate processes and controls to enable all tax liabilities to be accurately calculated and all taxes due to be timely paid. In order to accomplish this, any tax initiative is carried out bearing in mind any reputational, financial, legal, regulatory or commercial risk. Ageas aims to manage tax risk and protect its reputation in a similar way to any area of operational risk across the Group.

As such, Ageas is committed to complying with the tax legislation within those jurisdictions to support the economies in which it operates as well as international tax regulation as applicable (i.e. OECD rules and European Directives framework among others).

*“One of the firm commitments of Ageas towards its stakeholders is to be a responsible taxpayer. As such Ageas respects all international and national tax legislation in all countries in which it operates and has not put in place tax optimization structures. 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 an aim to fundamentally support the local economies and its citizens.”* (Christophe Boizard, former CFO Ageas)

## TAX GOVERNANCE

Local tax managers are responsible for the execution of the above approach and are the direct contacts of the local tax authorities. They report to the group tax manager for consolidation purposes. The group tax manager works under the direct supervision of the Group Legal Counsel, and of the CFO.

The tax strategy and policy is approved and overseen by the Board of Directors.

## TAX CONTEXT

Governments set statutory tax rates to balance their needs for tax collection against the attractiveness of their economies for businesses to operate within. Depending on the country, the total tax amount paid by Ageas will include corporate income tax, VAT, property taxes, registration duties, withholding tax, employment taxes and, all taxes related to insurance contracts.

Whilst some taxes are levied on a company's revenues, such as VAT and insurance premium tax, corporate income tax is a tax that is levied on a company's profits. This disclosure used to focus solely on corporate income tax but as from now on, the scope has expanded and also provides for the first time high level information on property taxes.



## 1. CORPORATE INCOME TAX

### 1.a Effective tax rate (CIT)

The effective corporate income tax rate is calculated as the income tax expense divided by the accounting profit before tax, in accordance with the locally accepted accounting principles. The corporate income tax due can be paid in current or later years in line with local tax regulations.

For corporate income tax, the specificities of domestic tax legislation mean that the profits upon which a business pays its taxes may differ from the profits calculated in its IFRS financial statements. As a result, businesses may pay an amount of corporate income tax that varies from the Group accounting profits multiplied by the statutory tax rate. In 2020, 2021 and 2022 the jurisdictions in Europe, where the Group's most significant operations are located, were subject to the following statutory corporate tax rates: Belgium 25%, Portugal 27,50% and United Kingdom 19,00%.

In line with its consolidation scope, Ageas reports the corporate income taxes due where the Group holds, either directly or indirectly, a majority shareholding and operational control i.e. predominantly the operations in Belgium, Portugal and the United Kingdom. Ageas has multiple legal entities in each of these countries. While recognizing the relevance of the Asian market for our group results, Ageas' tax reporting does not include its minority shareholdings in Asia and Turkey. The income of these entities is, in normal circumstances, streamed up to Ageas SA/NV under the form of a regular annual dividend, which is tax exempted as it has been locally charged to corporate income tax.

The Group effective corporate income tax rate reflects the natural blend of the statutory tax rates, profit mix and the alignment of Ageas' tax strategy and business model within the various jurisdictions where the Group operates. It is expected that Ageas' recurring effective tax rate across jurisdictions will be relatively stable mid-term, unless major changes impact the Group's business model, structure or territories.

The table below summarizes the main elements of Ageas' tax position for corporate income tax, providing details for the main jurisdictions for the last three years, 2022, 2021 and 2020.

The local GAAP 2022 data with respect to ageas SA/NV is still to be finalized and will be updated as soon as available.

Over 2022, 2021 and 2020, Ageas received a total amount of approximately EUR 20 million, paid EUR 20 million and EUR 115 million of corporate taxes respectively in its local joint ventures. This amount has been calculated in line with the percentual stakes it owns in these joint ventures.



2022

Group financial statements – IFRS (in EUR mio) by operating segment							
	ageas					Group	Group
	SA/NV	BE	Europe*	Asia**	Eliminations	Total 2022	Total 2021
Total income	1.881	6.563	2.131	413	( 605)	10.383	13.772
Result before taxation	205	808	192	246	1	1.452	1.231
Tax charge	(21)	( 169 )	( 38 )	(1)		( 229 )	( 215)
Number of headcount / FTE	185	7.369	3.583	2.251		13.338	10.101

Local GAAP financial statements (in EUR mio)					
	ageas				Total 2022
	SA/NV	BE	Europe***	Asia**	
Result before taxation		895.0	634.2		1.529.2
Tax charge		( 116.6 )	( 12.5 )		( 129.1 )
Tax paid		120,4	33.6		154
	<i>in 2022</i>	120,4	33.6		154
Accrued taxes		0	0		0
Effective tax rate		13,0%	1.9% ****		

\* Europe includes Portugal, France and UK.

\*\* Details for Asia are limited to IFRS results.

\*\*\* Europe refers to Portugal, France and UK

The results obtained in these non-consolidated entities are locally taxed and upstreamed under the form of dividends to Ageas SA/NV..

\*\*\*\* The rate is impacted by the significant tax losses available for Portugal.

Details of the tax charge in the group financial statements for the main jurisdictions cover **all** Ageas group entities (consolidated entities), but not the Asian joint ventures in accordance with the reporting criteria under IFRS; the consolidated entities represent of the Ageas group:

- 99% of headcount as AFLIC is only consolidated as from Q4 2022 and hence considered as only having a limited contribution for 2022; as from 2023 the full work force including the AFLIC team will be considered in the coverage calculations (and 98% without ageas SA/NV, as information of 2022 not yet available);
- 99% of gross written premiums;
- 96% of total income;
- 83% of result before taxation;
- 100% of the tax charge;
- 100% of income tax accrued; and
- 100% of income tax paid.

Details per main jurisdiction / operation (by local GAAP statements) cover slightly less of the Ageas group as no details on France are included; this entity is sold beginning of 2023; France represented less than 2% of group headcount and less than 5% of gross written premiums in 2022.



## 2021

### Group financial statements – IFRS (in EUR mio) by operating segment

	ageas						Group	Group
	SA/NV	BE	UK	CEU	Asia*	Eliminations	Total 2021	Total 2020
Total income	1.452	9.176	1.092	2.249	429	( 626 )	13.772	12.370
Result before taxation	( 121 )	674	62	211	403	2	1.231	1.533
Tax charge	( 19 )	( 136 )	( 1 )	( 58 )	0,0	( 1 )	( 215 )	( 233 )
Number of headcount / FTE	169	6.111	2.089	1.663	69		10.101	11.179

### Local GAAP financial statements (in EUR mio)

	ageas					Total 2021
	SA/NV	BE	UK	CEU**	Asia*	
Result before taxation	374	692,3	51,8	286,3		1.404,4
Tax charge	0	( 108,4 )	( 1,7 )	( 45,0 )		( 155,1 )
Tax paid	0,9	127,5	4,5	72,7		205,6
<i>in 2021</i>	<i>0</i>	<i>127,5</i>	<i>4,5</i>	<i>72,7</i>		<i>204,7</i>
Accrued per year-end 2021		0	0	0		0
Effective tax rate	0,0%	15,7%	3,3%	15,7%		

\* Details for Asia are limited to IFRS results.

\*\* Central Europe (CEU) details are limited to Portugal

The results obtained in these non-consolidated entities are locally taxed and upstreamed under the form of dividends to Ageas SA/NV..

## 2020

### Group financial statements - IFRS (in EUR mio)

	ageas						Group	Group
	SA/NV	BE	UK	CEU	Asia*	Eliminations	Total 2020	Total 2019
Total income	1.894	8.043	938	1.786	295	( 586 )	12.370	15.099,2
Result before taxation	273	675	70	241	269	5	1.533	1.432,7
Tax charge	( 19 )	( 143 )	( 5 )	( 66 )	0,0	0,0	( 233 )	( 254,5 )
Number of headcount	166	6.754	2.592	1.602	65		11.179	

### Local GAAP financial statements (in EUR mio)

	ageas					Total 2020
	SA/NV	BE	UK	CEU	Asia*	
Result before taxation	487,09	569,4	47,3	287,6		904,3
Tax charge	( 0,1 )	( 144,6 )	( 4,7 )	( 73,8 )		( 223,1 )
Tax paid	0	140,0	4,7	43,8		188,5
<i>in 2020</i>		<i>140,0</i>	<i>4,7</i>	<i>43,8</i>		<i>188,5</i>
<i>in 2021</i>		<i>0,1</i>		<i>37,0</i>		<i>37,1</i>
Accrued per year-end 2020	0,1	4,6	0	30,0		34,6
Effective tax rate	0,1%	25%	10%	15%		

\* Details for Asia are limited to IFRS results.

The results obtained in these non-consolidated entities are locally taxed and upstreamed under the form of dividends to Ageas SA/NV..



## 1.b Details by main jurisdiction / operation

All information below includes all local constituent entities for each of the countries and is presented on a consolidated basis in case it concerns multiple entities.

### BELGIUM

Ageas SA/NV – Activity: holding and re-insurance			
	2022	2021	2020
Standard CIT rate	25%	25%	25%
<hr/>			
ageas SA/NV	2022*	2021	2020
Pre-tax result		374.0	487.1
Tax base		0,3	0,4
Tax losses			
Tax charge		( 0,1 )	( 0,1 )

\* Reconciliation of tax charge for ageas SA/NV for 2022 will be published as soon as available.

The difference between the pre-tax result and the tax base mainly relates to the previously described dividends that are upstreamed and tax exempted because local results were already subject to taxation.

AG Insurance – Activity: insurance			
	2022	2021	2020
Pre-tax result	715.7	538.5	515.0
Tax base	321.6	306.2	482.0
Tax charge	( 80.4 )	( 76.6 )	( 120.5 )

As explained in the annex of the annual accounts available on the website of the National Bank of Belgium (NBB), the main difference between the pre-tax result and the tax base comes from taxed reserves, non-deductible expenses, tax deduction related to innovation, tax exempted dividends and capital gains. The latter two relate to the investment portfolio which AG Insurance manages for its customers and which is composed of equities, bonds and real estate. It also includes the majority stakes in AG Real Estate and Interparking.

AG Real Estate and Interparking – Activity: real estate			
	2022	2021	2020
Pre-tax result	180.2	153.8	54.4
Tax base	161.2	127.4	100.9
Tax losses	16.2	10.7	4,4
Tax charge	( 36,2 )	( 31,2 )	( 24,1 )

The main reason for the difference between the pre-tax result and the tax base comes from tax exempted dividends partly offset by non-deductible expenses.



## UK

	2022	2021	2020
Standard CIT rate	19,00%	19,00%	19,00%
	2022	2020	2019
Pre-tax result	30.1	51.8	47.3
Tax base	28.2	9.1	25.0
Tax charge	( 5.3 )	( 1.8 )	( 4.7 )

The UK tax regulation uses the IFRS accounts as the basis for corporate tax calculation and the tax expenses are composed of a current tax and a deferred tax component. The difference between the pre-tax result and the tax base is mainly due to the tax change rate impact and effects from current to deferred taxes in the previous years.

## PORTUGAL

	2022	2021	2020
Standard CIT rate	27,50%	27,50%	27,50%
	2022	2021	2020
Pre-tax result	604.1	286.3	287.6
Tax base	463.1	213.4	211.7
Tax losses	15.6	5.6	18.7
Tax charge	( 7.2 )	( 45.0 )	( 73.8 )

The main difference between the pre-tax result and the tax base relates to the tax benefit connected to exempted dividends as well as the tax losses available.

## SUMMARY

The main elements causing adjustments between taxable profits and accounting profits are the exemption on capital gains and dividends, notional interest deduction, tax treatment of provisions and tax losses available. Differences between the corporate income tax due (income tax charge in the income statement) and the income tax paid can come from timing differences between tax accruals and actual cash payments.

Please note that as reported in the Annual Report, based on international accounting standards the Ageas Group's overall effective tax rate under IFRS was 15,2% in 2020, 17,5% in 2021 and 15,80% in 2022 (for more details on the results please visit the Ageas website at [www.ageas.com/investors/quarterly-results](http://www.ageas.com/investors/quarterly-results)).

## 2. OTHER TAXES (PROPERTY TAXES)

Within the AG Real Estate structure, the only segment of the Ageas Group with the primary focus to invest in real estate opportunities across various jurisdictions, in the year 2022 a total amount of more than EUR 21 million of property taxes was paid in its main jurisdictions. In particular, approximately EUR 16 million in Belgium and approximately EUR 5 million in France were paid to the authorities by the group entities. About 95% of these taxes are invoiced to the tenants.

