



# AGEAS TAX DISCLOSURE

UPDATED VERSION AS PER 25.06.2024

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).

*Our approach continues to be inspired by the following quote from our management: "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."*

## 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 not only focuses on corporate income tax but also provides 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 25%. Details on the reconciliation from expected to actual income tax expense can be found back in Ageas annual report on page 263.

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

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 (to be noted that AFLIC, in India, has been fully consolidated as from the year 2023 since Ageas' shareholding has been increased). The income of these entities is 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.



Ageas reports under IFRS<sup>1</sup> by including owned subsidiaries in the scope of consolidation whereas the results realised in the non-controlled entities are upstreamed via dividends (after taxes). This dividend from the joint ventures in Türkiye, China, Malaysia, India, Thailand, Vietnam, Laos, Cambodia, Singapore, and the Philippines is reported in the line “Share in the results of equity-accounted investments”. As such, the legal structure and accounting requirements impose that the taxes reported by Ageas group in the annual report exclude the taxes of the joint ventures. However, for information purposes, this disclosure includes the total tax charge on the relative share in these joint ventures as a whole.

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, 2023, 2022 and 2021.

The local GAAP 2023 data with respect to ageas SA/NV is still to be finalized and will be updated as soon as available.

Ageas approximately paid a total amount of EUR 60 million in 2023, received EUR 20 million in 2022 and paid EUR 20 million in 2021 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.

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<sup>1</sup> In practice, this means that in the financial (and segment) reporting the financial metrics incorporate the result for:

- Belgium: The Belgian insurance activities, operating under the name of AG Insurance, have a longstanding history. AG Insurance is also 100% owner of AG Real Estate, which manages AG’s real estate activities, including Interparking (parking business) and Anima (a large player in nursing homes, service flats and recovery accommodations). In 2023, together with BNPPF, AG acquired full ownership of the strong Touring brand (AG’s share 75%), unlocking new opportunities in dynamic sectors like mobility and travel.
- Europe consists of the insurance activities of Ageas in Europe, excluding Belgium. Ageas is active in Portugal, UK, France (until September 2023) and Türkiye, the latter being a non-controlled entity.
- 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 in China, Malaysia, Thailand, India, The Philippines and Vietnam. These activities are accounted for as equity associates under IFRS, except for India Life (AFLIC) which is fully consolidated since 2022.
- Reinsurance: The reinsurance activities of Ageas SA/NV are reported in the Reinsurance Segment. These activities comprise intra-group inward reinsurance and reinsurance of third parties.

2023

Group financial statements – IFRS (in EUR mio) by operating segment							
	ageas					Group Total 2023	Group Total 2022
	SA/NV	BE	Europe*	Asia**	Eliminations		
Net insurance and finance result (Total income**)	183	1,955	326	19	( 42 )	2,441	10,383
Result before taxation	(70)	843	198	455	2	1,428	1,452
Tax charge	( 11 )	( 184 )	( 54 )	( 2 )		( 251 )	( 229 )
Number of headcount / FTE	200	8,081	3,434	3,122		14,837	13,338

Local GAAP financial statements (in EUR mio)					
	ageas				Total 2023
	SA/NV	BE	Europe*	Asia**	
Result before taxation		931.3	274.8		1,206.1
Tax charge		( 98.3 )	( 18.8 )		( 117.1 )
Tax paid		106.5	27.8		134.3
	<i>in 2023</i>	<i>106.5</i>	<i>27.8</i>		<i>134.3</i>
Effective tax rate		10.5%	6.8%		

\* Europe includes \* Portugal, and UK (Türkiye, being a JV).

\*\* Details for Asia are limited to IFRS results, meaning AFLIC. (other Asian entities are JVs)

\*\*\* Following IFRS 9/17 the results are now presented under \*net insurance and finance result, instead of total income)

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

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 (to be noted that as of 2023 the Ageas Group adopted the new reporting standards IFRS 17/9 – this is reflected accordingly in the presentation of the numbers above for 2023); the consolidated entities detailed below represent 100% of the Ageas group except for:

- Result before taxation and tax charge: 91% coverage
- Tax paid: 70% coverage

## 2022 (presentation before implementation of IFRS 9/17)

Group financial statements – IFRS (in EUR mio) by operating segment							
	ageas					Group Total 2022	Group Total 2021
	SA/NV	BE	Europe*	Asia**	Eliminations		
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	1,000.4	895.0	634.2		1,529.2
Tax charge	( 0.13 )	( 116.6 )	( 12.5 )		( 129.1 )
Tax paid	0.04	120.4	33.6		154
	<i>in 2023</i>		<i>24.1</i>		<i>24.1</i>
	<i>in 2022</i>	<i>120.4</i>	<i>33.6</i>		<i>154</i>
Effective tax rate	0.0%	13.0%	1.9%		

\* Europe includes Portugal and UK (Türkiye, being a JV).

\*\* Details for Asia are limited to IFRS results, meaning AFLIC. (other Asian entities are JVs) The results obtained in these non-consolidated entities are locally taxed and upstreamed under the form of dividends to Ageas SA/NV..



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		1,030.4
Tax charge	0	( 108.4 )	( 1.7 )	( 45.0 )		( 155.1 )
Tax paid	0.9	127.5	4.5	72.7		204.7
<i>in 2021</i>		127.5	4.5	72.7		204.7
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..

## 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

	2023	2022	2021
Standard CIT rate	25.00%	25.00%	25.00%

#### Ageas SA/NV – Activity: holding and re-insurance

	2023*	2022	2021
Pre-tax result		1,000.4	374.0
Tax base		0.1	0.3
Tax charge		( 0.04 )	( 0.1 )

\* Reconciliation of tax charge for ageas SA/NV for 2023 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 + Touring (mobility)			
	2023	2022	2021
Pre-tax result	665.1	715.7	538.5
Tax base	185.0	321.6	306.2
Tax charge	(46.3)	(80.4)	(76.6)

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, Interparking and Anima– Activity: real estate			
	2023	2022	2021
Pre-tax result	266.2	180.2	153.8
Tax base	220.2	161.2	127.4
Tax losses	16.4	16.2	10.7
Tax charge	(52.0)	(36.2)	(31.2)

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. As for previous years exceptional items (such as: disallowed impairment and other negative results of the year) have been excluded. Also, information on jurisdictions such as France, Luxembourg, Spain, Germany and the Netherlands, which in aggregate represent approximately EUR 19 million are not included in the table above.

## UK

	2023	2022	2021
Standard CIT rate	25.00%	19.00%	19.00%

  

	2023	2022	2021
Pre-tax result	53.2	30.1	51.8
Tax base	56.0	28.2	9.1
Tax charge	(13.1)	(5.3)	(1.8)

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

	2023	2022	2021
Standard CIT rate	27.50%	27.50%	27.50%
	2023	2022	2021
Pre-tax result	221.7	604.1	286.3
Tax base	175.3	463.1	213.4
Tax losses	98.17	15.6	5.6
Tax charge	(5.7)	(7.2)	(45.0)

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

## INDIA (AFLIC)

	2023	2022	2021
Standard CIT rate	14.56%		
	2023		
Pre-tax result	24.1		
Tax base	19.7		
Tax charge	(2.8)		

The main difference between the pre-tax result and the tax base relates to exempted income and deductions.

## 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 17.5% in 2021, 15.8% in 2022 and 17.6% in 2023 (for more details 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 2023 a total amount of more than EUR 28 million of property taxes was paid in its main jurisdictions (in 2022 EUR 21 million). In particular, approximately EUR 22 million in Belgium and approximately EUR 6 million in France (in 2022 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 reinvoiced to the tenants.

