AGEAS TAX CONTRIBUTION

Ageas understands the importance of how taxes paid by businesses can positively benefit local economies and communities and that for businesses to successfully operate within societies there is a need for businesses to ensure that taxes are correctly calculated and paid to Governments.

As a major international insurance Group, Ageas operates in a large number of jurisdictions across the globe. As such, Ageas is committed to complying with the tax legislation within those jurisdictions to support the economies in which it operates.

Whilst Governments will legislate in detail for their own local tax regimes, there are a number of taxes that are common across jurisdictions. These include (but are not limited to) 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 businesses' revenues, such as VAT and insurance premium tax, corporate income tax is a tax that is levied on a company's profits, enabling higher tax collection when a business has increased profits and lower collection when business has periods of decreased profitability.

Governments set statutory tax rates for corporate income tax, balancing their needs for tax collection against the attractiveness of their economies for businesses to operate within.

Due to the intricacies of domestic tax legislation, the profits upon which a business pays its taxes may differ from the profits calculated in its financial statements, and as a result businesses may pay an amount of corporate income tax that varies from the accounting profits multiplied by the statutory tax rate.

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

We report the corporate income taxes due where the Group holds, either directly or indirectly, a majority shareholding and operation control (predominantly operations in Europe). Corporate income taxes are not reported for operations where Ageas holds minority shareholdings (predominantly joint ventures operations in Asia).

In 2018 and 2019 the jurisdictions in Europe, where the Group's most significant operations are located, were subject to the following statutory rates: Belgium 29.58%, Portugal 27.50% and United Kingdom 19.00%.

The 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 Group's paid contribution for corporate income tax for 2019 for its main jurisdictions (excluding minority shareholdings) amounts to EUR 163.8m. The main elements causing adjustments between taxable profits and accounting profits are the exemption on capital gains and dividends, non-deductible expenses, notional interest deductions, tax treatment of provisions and tax losses available. The corporate income tax due amounting to EUR 173.7m (income tax charge in the income statement) for 2019 deviates from the income tax paid, due to timing differences between tax accruals and actual cash payments.

Please note that as reported in the Annual Report, based on international accounting standards (for more details please visit the Ageas website at www.ageas.com/investors/quarterly-results), the Ageas Group's overall effective tax rate under IFRS was 20.70% in 2018 and 17.76% in 2019.