Connecting for impact

Annual Report 2021

ageas®

Ageas

At the heart of society,
in the lives of people

ageas®

Supporter of your life

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About Ageas

EUR **40** billion
annual inflows
(at 100%)

BEL 20
listed company

200
years of heritage

40,000
employees

45 million
customers

Our values

CARE
DARE
DELIVER
SHARE

Life insurance,
Non-Life insurance
& Reinsurance

Our purpose *Supporter of your life*

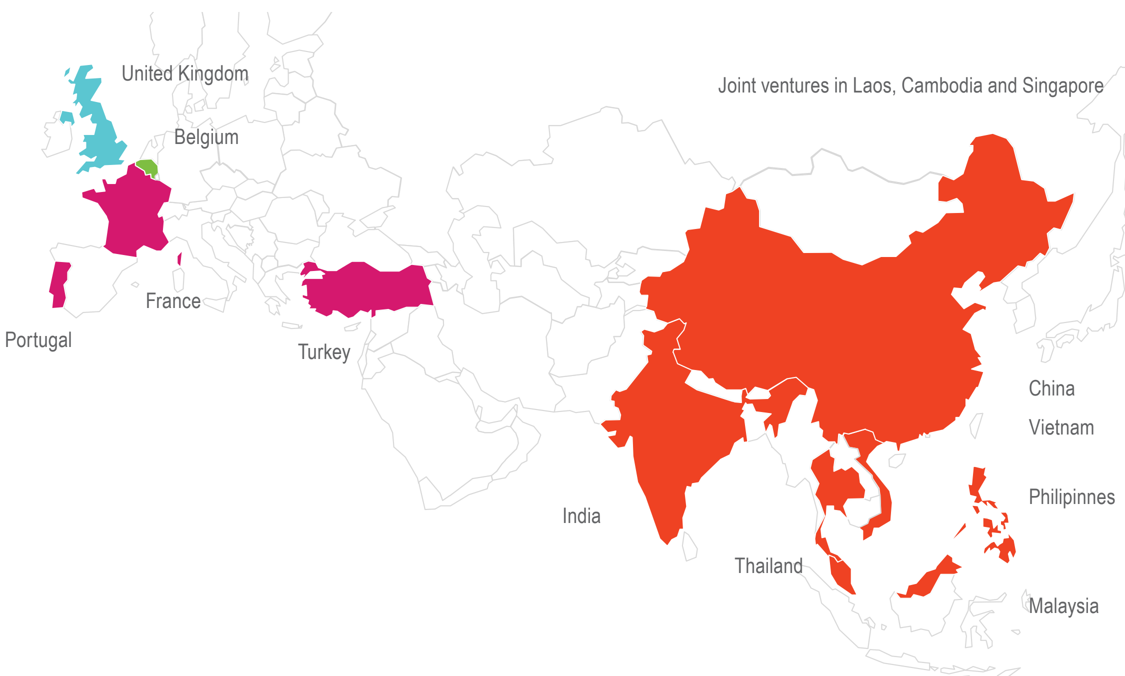
Ageas is a listed international insurance Group with a heritage spanning close to 200 years. We offer Retail and Business customers Life and Non-Life insurance products and we are also engaged in reinsurance activities. Our customers are at the heart of our business, and our products and services are 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, Turkey, 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 40,000 skilled and committed employees are at the service of nearly 45 million customers. Our Group has at its foundation a set of core values - Care, Dare, Deliver, and Share – representing who we are and how we work.

As a “Supporter of your life” we seek to create social and economic value for our customers, employees, partners, investors and society at large.
In 2021, Ageas reported annual inflows close to EUR 40 billion (at 100%).
Ageas is listed on Euronext Brussels and is included in the BEL20 index.

Active in 14 countries in Europe & Asia



A

Report of the Board of Directors

The Ageas Annual Report 2021 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 2021, with comparative figures of 2020, 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 such as the Euronext guidance on ESG reporting issued in January 2020. The information and data in the Annual Report is prepared in accordance with the GRI Standards: Core[1].

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

[1] The GRI Standards 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. Option core entails that at least one indicator for each material topic is included in the annual report. Detailed information can be found in the GRI content index in section H.

Ageas Annual Report 2021

1

Message from the CEO & Chairman

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

Dear stakeholder,

2021 was the year that we completed the final phase of our Connect21 plan, and we designed the next chapter in the Ageas story. We reflected on the trends coming our way and focused on opportunities for long-term sustainable growth. We translated this into the new plan, Impact24, that will take us forward for the next 3 years and beyond. A plan is always built within a global context… and the world did not stand still during the past 12 months. It moved faster than ever.

New challenges but also new hope

If 2020 was the 'year of Covid', then 2021 should have been the 'year the world got back to a new normal'. For a while it looked like it might, but as it turned out, Covid variants were here to stay. The global economy began to recover more quickly and more strongly than expected, but at a different pace market to market. As world trade came out of hibernation, inflation started to rise.

Covid acted as a catalyst for widening social inequality with significant gaps in income, health, and education. As an insurer, every one of these factors needs our full attention. **Supporting our stakeholders by protecting them today and preparing them for the world of tomorrow has been our reason of existence for almost two centuries, and this becomes even more tangible today.**

2021 was also the year that climate change emergency reached new heights with the ambition of a maximum of 1.5°C rise in temperatures no longer needing elaboration. As 190+ nations gathered in Glasgow for COP 26 to reaffirm their commitment to maintain this critical threshold, the world got a wake-up call for accelerated action. As sizable investors, and given our proximity to a large customer base, **Ageas has a significant role to play in closing the information gap and in stimulating our customers in the transition towards a more sustainable world.**

This year we felt the full force of climate change, as flooding on a massive scale devastated and destroyed the homes of so many of our customers in Belgium and in the UK. Our heart goes out to those who have lost relatives and friends. Thanks to the extraordinary support of our employees, agents, brokers, and partners, we did everything we could to provide the service and assistance our customers needed at this most critical time.

Sustainability at the centre

As an insurer, we have a commitment towards our stakeholders to maintain a sustainable business that is built to last. **We also have a duty of responsibility towards future generations to act now on global societal challenges.** The strategic exercise we performed last year allowed us to translate this into an actionable plan with ambitious targets.

Sustainability has been integrated into all aspects of our new strategy, Impact24. **We want to be a diverse, inclusive and Great place to Grow for all our employees.** We are expanding our offering of sustainable products that can assist our customers in the transition towards a more sustainable world. We made a commitment to become GHG neutral in our own operations and to invest up to EUR 10 billion by 2024 in ESG initiatives. At the time we made this commitment we had already invested EUR 6 billion. We are happy to report that we have already reached the target of EUR 10 billion far earlier than anticipated. We will continue to raise the bar and increase our investments in social housing, retirement homes, renewable energy and infrastructure. The strong focus we put on sustainability is also reflected in the steady improvement in five out of the six ESG ratings that we actively engage in.

As an insurer, we have a commitment towards our stakeholders to maintain a sustainable business that is built to last.

At Ageas, we are making our ecological footprint smaller and our contribution to society bigger, year after year. And in 2021, we raised the bar: we will challenge and support the companies we invest in and stimulate the customers who enjoy our products, so that together we can make an impact towards a more sustainable world.

In this report you can discover a wealth of global and local initiatives that respond to changing customer and societal needs ranging from health to ageing, mobility and more.

At Ageas, we are making our ecological footprint smaller and our contribution to society bigger, year after year. And in 2021, we raised the bar: we will challenge and support the companies we invest in and stimulate the customers who enjoy our products, so that together we can make an impact towards a more sustainable world.

Hans De Cuyper,
CEO Ageas

A robust performance showing our resilience

As we reflect on our 2021 performance, we do so with pride both in terms of what has been delivered but also on how it was done. Our local achievements are a true testimony to how Ageas's story is brought to life across the world.

The Group delivered strong financial results with a net result excluding the impact of RPN(i) of EUR 945 million, at the top-end of our guidance, Solvency II-ratio (197%) above target and a dividend of EUR 2.75, corresponding to a pay-out ratio of 52%, in line with the Connect21 target. Ageas also recorded a strong commercial performance in both Europe and Asia, with a marked growth in inflows in Unit-Linked and Non-Life.

The devastating floods of the summer in Belgium and in the UK led to a level of claims over and above anything we experienced before from a single natural event, but the strong results from all our businesses helped compensate for this, **demonstrating the resilience of our Group thanks to our geographical spread and our diversified portfolio in Life, Non-Life and Reinsurance.**

Along the way, our business, especially Life, continued to be **challenged by the low interest rate environment** which also impacted the Chinese market this year. **But thanks to our ability to quickly align our asset management with the interest rate evolution and thanks also to the solid balance sheet of Taiping Life,** the results remained strong and resilient, underscoring the value of growth markets in Asia. The acquisition of a stake in Taiping Re provided a further element of diversification, which has a positive impact on our Non-Life inflows in Asia.

We extended our partnership in the fast-growing Turkish market with the acquisition of Aviva SA. The Life Insurer and Private Pension Provider was renamed **'AgeSA' and is already contributing positively in its first year to our Life results in Europe.**

With this excellent performance, we fully delivered against all the financial targets set out in the Connect21 plan. Both our European and Asian entities contributed to the growth in inflows and net result over the 3-year period. Today, Asia contributes to about 46% of the gross inflows (Ageas' part) and 38% of the Insurance net result. This demonstrates the value of our growth markets, supported by our unique partnership model. Local autonomy empowers our operating companies and Joint Ventures to be agile in their local market.

Once more, the Group's resilience has been key and our well-diversified and well-balanced business has contributed to that. However, in a period of lockdowns and isolation, resilience is also down to people. They make the difference, and we have the best.

> **The Group's resilience has been key and our well-diversified and well-balanced business has contributed to that. But resilience is also down to people. They make the difference, and we have the best.**
>
> Bart De Smet,
> Chairman Ageas

On the move for our people

We know that our own people also feel the impact of the events we have seen over the past year, and we support them in any way we can. But we want to go further than that. **We want to be considered a Great Place to Grow by our 40,000 employees** by, amongst others, sparking trust-based collaboration, offering learning and career opportunities to prepare our workforce for the future, improving the quality of work for our employees and the employee journey, and stimulating diversity and inclusion. We are proud to have received Top Employer accreditations in Belgium and the UK at the start of the year, reflecting our ongoing efforts to be an inspiring employer across all our markets.

Creating an inspiring office environment that facilitates hybrid working and collaboration is another important step towards achieving this ambition. We will relocate our headquarters in Belgium to the Manhattan building in Brussels, a fully sustainable office. Within the headquarters of daughter company AG in Brussels, we have developed a new training campus, and our Portuguese teams are relocating to new office buildings in Lisbon and Porto. All of these have been designed as state-of-the-art and sustainable work environments, where our employees can connect and co-create.

The future is about making an Impact

Connect21 provides us with a strong starting point for the coming years. **In developing Impact24, we focus on our strategic choices and investments for the long term, not just for the next three years.** With this plan, we will strengthen and grow our core business by unlocking the full potential that we know exists. We will pursue new opportunities for growth to future-proof our business. We will prioritise M&A opportunities that allow us to strengthen our leading positions in existing markets. And we will ensure that sustainability is at the heart of everything we do.

The impact we make should continue well beyond 2024. The world is transforming faster than ever before. Our job is to evolve with it, and we will.

This is the perfect moment to thank our people and our partners for their contribution. Thank you also to our customers and investors for their loyalty to Ageas. We look forward to a successful year together and, in a world that has recently witnessed so much devastation in Ukraine, we hope for a future that sees peace and stability return for humanity.

Hans

Hans De Cuyper,
CEO

Bart De Smet,
Chairman

2 Key financials and developments

2.1 Highlights of 2021

Another year, another set of challenges but also a number of remarkable achievements for the Ageas Group. Here are some of the key highlights of the year.

24 February
Ageas reports excellent Group results despite Covid-19

Ageas reported a strong and resilient Insurance performance for the full year across both Life and Non-Life allowing the Group to propose a gross cash dividend of EUR 2.65 per share.

20 April
Moody's confirms rating upgrade to A1 with Stable Outlook

Rating upgrade reflected perceived improvements in the Group's credit profile and resilience to credit shocks.

Moody's upgraded Ageas and AG Insurance to A1. Resolution of legal legacy issues, improvements in underlying earnings, strong capitalisation and reduction in leverage were all cited, as well as the Group's ability to maintain strong earnings and capital throughout the coronavirus crisis in 2020.

4 May
Ageas acquires a 40% stake in AvivaSA in Turkey

This EUR 140 million acquisition further strengthens Ageas's position in the fast-growing Turkish market.

Ageas has established a presence in the fast-growing Life market in Turkey through our new partnership with the listed Life insurance and pensions company AvivaSA which has since been rebranded AgeSA. Ageas already enjoys a presence in Non-Life in Turkey through Aksigorta since 2012.

5 May
Ageas completes sale of stake in Tesco Underwriting

Ageas agreed the sale of its 50.1% interest in Tesco Underwriting Ltd. to Tesco Bank. The Non-Life insurance joint venture between Ageas and Tesco Bank was formed in 2010 to underwrite Tesco Bank-branded car and home insurance policies. The sale allows Ageas UK to further focus on its core business.

1 June
Ageas announces details of new strategic plan Impact24

Impact24 represents the next chapter for Ageas with a clear focus on growth.

As Connect21 neared the finish line, Ageas announced a new 3-year strategic plan for the period 2022-24 making choices for the long-term. Impact24 is a long-term sustainable growth strategy that builds on the Group's core strengths and emerging growth opportunities, putting sustainability at the centre.

25 June

Fitch confirms upgrade to AA- with Stable Outlook

Upgrade reflects Ageas's sustained strong financial performance and capital strength.

Fitch Ratings upgraded the Insurer Financial Strength (IFS) Rating of ageas SA/NV, AG Insurance and Ageas Insurance Limited to 'AA-'. The upgrade reflects the strong financial performance, and very strong capitalisation, despite adverse and volatile market conditions caused by the pandemic, alongside a strong business profile.

20 July

Ageas mourns the victims of floods in Belgium

On this day we remembered the victims of the worst natural disaster to hit Belgium in recent decades.

Our employees, agents, brokers, and partners did everything within their reach to compensate customers who lost their homes and possessions as quickly as possible. As leading home insurer, AG participated in consultations with the government and provided necessary support, data, and expertise in managing the crisis.

10 August

Improved Sustainalytics score confirms Ageas's sustainability efforts

Continued efforts to improve ESG disclosures and transparency reflected in better ESG risk score.

Ageas is actively responding to six of the leading ESG rating agencies with a steady improvement in ESG scores for each of them year on year. As such, Sustainalytics improved its rating from a medium risk score of 28.7 to a low-risk score of 18.8 bringing Ageas close to a top quartile performance within the insurance industry ranking.

1 September

New role of Chief Development & Sustainability Officer (CDSO)

Gilke Eeckhoudt named as new CDSO to help drive Impact24 implementation.

On behalf of the Group, she will lead all transversal business initiatives within Business Development, Technology Development & Sustainability in support of the implementation of the new strategic plan Impact24. Gilke also joins the Group Management Committee.

18 October

Ageas launches a Chair in Sustainable Insurance

In collaboration with the University of Antwerp, Ageas commits to research programme focused on sustainable insurance.

Insurers have the tools to make a difference in areas such as financial inclusion and solidarity. And they can encourage sustainable behaviour through responsible investments or the insurance products and services they offer. This Chair in Sustainable Insurance allows Ageas to be at the centre of the debate.

23 November

Ageas announces move to new sustainable office

Ageas will move its headquarters to the Manhattan building in Brussels reflecting the Group's ambition to be a Great place to Grow for its employees.

Ageas is creating a sustainable workplace in line with its strategy to put sustainability at the heart of everything it does. And the trend continues elsewhere, with new buildings in Portugal and a new AG Campus in Brussels. These moves deliver an inspiring and sustainable physical work environment, with sufficient room to connect and collaborate, supported by a digitally smart work environment.

7 December

Ageas celebrates 20 years of partnership with China Taiping Group

Ageas is proud to celebrate its longest standing joint venture with China Taiping Group: 20 years of successful collaboration demonstrating that partnerships are part of the Ageas DNA.

Ageas already recognised the growth potential in China back in 2001. Leveraging the unique position of China Taiping Group combined with the global insurance experience of Ageas, Taiping Life Insurance is today one of the leading and most respected insurers in China with 19,000 employees, 387,000 agents and 1,400 branches and sale offices. It is also one of the most trusted insurance brands in the marketplace, serving 15 million customers. This year is also the 20th year of partnership with Maybank in Malaysia.

Read more about these events on our Annual report website.

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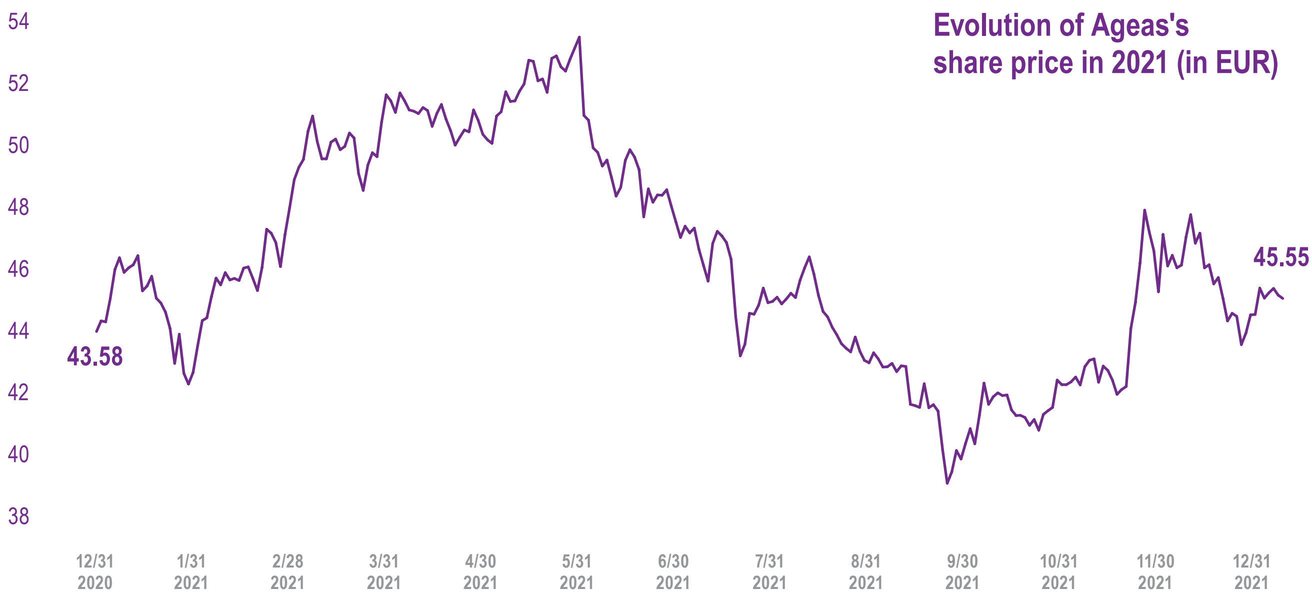
As we delivered on the targets set out in Connect21, we can look back with satisfaction on the past three years. Through Impact24 we want the power of the Group to come into play to help drive growth.

Christophe Boizard,
CFO Ageas



Description	Targets	2021
Combined Ratio Non-Life (%)	< 96%	95.4%
Life Operating Margin Guaranteed (bps)	85-95	99
Life Operating Margin Unit-Linked (bps)	30-40	35
Group Solvency II ratio (%)	175%	197%
Earnings/share CAGR	5-7%	11%
Dividend Pay-out (%)	≥ 50%	52%

Look back at how Ageas has delivered a consistently strong performance over the past 5 years against a range of key performance indicators.

2.2
Key Figures

	2021	2020
Net result Ageas	**845**	**1,141**
By segment:		
- Belgium	400	411
- UK	61	65
- Continental Europe	119	136
- Asia	403	269
- Reinsurance	87	79
- General Account & Elimination	(225)	181
of which RPN(I)	(101)	(61)
By type:		
- Life	743	570
- Non-Life	328	391
- General Account & Elimination	(225)	180
Weighted average number of ordinary shares (in million)	187	188
Earnings per share (in EUR)	**4.52**	**6.07**
Gross inflows (incl. non-consolidated partnerships at 100%)	**39,777**	**35,572**
- of which inflows from non-consolidated partnerships	29,022	26,107
Gross inflows Ageas's part (incl. non-consolidates entities)	**16,134**	**14,535**
By segment:		
- Belgium	5,006	4,575
- UK	1,406	1,525
- Continental Europe	2,341	1,873
- Asia	7,381	6,561
By type:		
- Life	11,225	9,978
- Non-Life	4,909	4,557
Combined ratio	**95.4%**	**91.3%**
Operating margin Guaranteed (bps)	**99**	**90**
Operating margin Unit-Linked (bps)	**35**	**29**

	2021	2020
Shareholders' equity	**11,914**	**11,555**
Net equity per share (in EUR)	**64.14**	**61.80**
Net equity per share (in EUR) excluding unrealised gains & losses	**43.43**	**39.64**
Return on Equity - Ageas Group (excluding unrealised gains)	**10.9%**	**15.5%**
Group solvency II ageas	**197%**	**193%**
Life Technical Liabilities (consolidated entities)	**78,192**	**78,692**

2.3
2021 marked by strong results with net Insurance profit exceeding EUR 1 billion and inflows close to EUR 40 billion

Driven by a strong commercial performance in most regions and particularly in Life, inflows in 2021 increased by 12% to EUR 40 billion. The sustained operating margin on Guaranteed products, the improved margin on Unit-Linked and the Non-Life combined ratio reflect the excellent operating performance of the consolidated entities, countering the headwinds from lower interest rates and exceptional weather events. Combined with the strong contribution from the non-consolidated entities, with Asia delivering an extra boost above expectations in the fourth quarter, the net result for the insurance activities exceeds EUR 1 billion. The Group net profit excluding RPN(i) amounted to EUR 945 million. 2021 was also the final year of Ageas's Connect21 strategy. In this last year of the strategic cycle the Group confirmed its sustainable strong operating performance of previous years, delivering on all the financial targets.

Group

The year-to-date Group **inflows including the non-consolidated entities** (at 100%) increased to EUR 40 billion, or +12% compared to last year, evenly spread over the mature business in Europe and the non-controlled partnerships in Asia. Scope-on-scope taking into account the divestment of the Group's stake in Tesco Underwriting and the acquisitions of AgeSa (Turkey) and Taiping Re (China), Group inflows increased 6%. Asia Life inflows were driven by high persistency levels in China and the inclusion of Taiping Re. In Europe, Life inflow growth was driven by Unit-Linked sales in Belgium and in Portugal, where the transition towards less capital-intensive products continues. Non-Life inflows were up mainly thanks to a strong commercial performance in Belgium, and the inclusion of Taiping Re. Non-Life inflows were also up both in Portugal and Turkey, with growth in the latter however fully offset by the impact of the Turkish Lira exchange rate.

A strong operating performance of the insurance operations, both in Life and Non-Life resulted in a net Insurance profit of EUR 1,071 million. The **Group net profit** amounted to EUR 845 million with a negative result of the General Account of EUR 225 million, including a EUR 101 million negative impact related to the RPN(i) revaluation.

The Non-Life **combined ratio** of the consolidated entities stood at 95.4% reflecting a strong operating performance across all product lines and including the charges against the floods in Belgium and the UK. The cost related to adverse weather events for the Group, including the charges of the July floods in Belgium and the UK amounted to EUR 160 million. In Motor, the claims frequency gradually returned to pre-Covid levels during the fourth quarter as restrictions on mobility have been lifted across Europe.

The **Life Guaranteed operating margin** reached 99 bps, largely exceeding the 85-95 bps target, thanks to a solid investment result and the realisation of net capital gains. Real estate revenues in Belgium are gradually recovering from the impact of Covid-19. The Group **Unit-Linked operating margin** stood at 35 bps at the end of December, well within the target range thanks to a satisfactory margin in Belgium and a strong recovery in Continental Europe, driven by increased volumes.

Ageas's Solvency $\mathrm{II}_{\mathrm{ageas}}$ ratio amounted to 197% compared to 193% end 2020. The increase was driven by the strong operating performance of the insurance operations, more than covering the accrual of the expected dividend, and was further supported by model changes. The operational free capital generation over 2021 amounted to EUR 629 million (excluding the floods contribution in Belgium above the legal cap), The free capital generation benefitted from a strong EUR 185 million contribution in dividends from the non-controlled participations.

The total **liquid assets** amounted to EUR 1.1 billion. The upstreamed cash from the operating companies amounting to EUR 725 million over 2021 more than covered the holding costs, the EUR 485 million dividend paid to Ageas's shareholders and the EUR 55 million cash-out related to the ongoing share buy-back realised in 2021. The acquisition of a 40% stake in the Turkish Life company AgeSa resulted in a cash-out of EUR 140 million whereas the sale of Tesco contributed EUR 143 million.

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As we reflect on 2021, we can be proud of the stronger than market growth in all business segments despite the challenges we faced. It goes without saying that the continuing impact of Covid and the devastating summer floods which caused so much human suffering for so many, will stay in our memories for a long time.

Heidi Delobelle,
CEO AG

By business segment

BELGIUM

The net result amounted to EUR 400 million compared to EUR 411 million in 2020. In 2021, inflows recorded a remarkable growth in both Life and Non-Life. Life inflows grew strongly thanks to excellent growth in Unit-Linked (+52% YoY) supported by commercial campaigns in the Broker and Bank channels. Non-Life inflows achieved exceptional growth of 9% versus 2020 with an increase in all business lines thanks to the joint efforts of AG and its distribution partners.

The Life Guaranteed operating margin reached 97 bps thanks to a solid investment result and improved underwriting margin, while last year was impacted by the volatility of the financial markets. During the fourth quarter the guaranteed margin benefitted from capital gains mainly on real estate. The Unit-Linked operating margin was strong at 37 bps.

The Non-Life combined ratio suffered from an exceptionally high impact from the summer floods with a 10% impact partially offset by claims reserve adjustments in P&C in the fourth quarter. Excluding these exceptional items, the combined ratio reflected a strong underlying performance across all business lines.

UK

The net result amounted to EUR 61 million compared to EUR 65 million in 2020.

Year-to-date inflows scope on scope, taking into account the divestment of Tesco Underwriting, were slightly up to EUR 1.4 billion. Continued growth in Household compensated for lower Motor premiums as a result of a disciplined approach to pricing in a market with continued low average premiums.

The Non-Life combined ratio stood at 96.2%. This reflects a strong operating performance that more than compensated for the charges of the adverse weather events impacting both the Household and Other lines' combined ratio, and some reserve strengthening against future claims costs. The increase in claims costs year on year reflects the gradual rise in vehicle usage after the pandemic restrictions.

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2021 has been a strong year for Ageas UK. We brought greater focus to our business, going for growth in our chosen markets. We prioritised personal lines, broadening our relationships with brokers and aggregators, and adding more than 200,000 additional customers in the process.

Ant Middle,
CEO UK

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In 2021 Ageas in Portugal took important steps towards creating an even more customer-centric organisation, constructing at the same time the perfect platform for the launch of the new strategic plan Impact24. We delivered a strong business performance with sales growing faster than the market average. And the Ageas brand continued to improve, distinguished in the sector by its reputation for being innovative, creative, and energetic in approach.

Steven Braekeveldt,
CEO Portugal

CONTINENTAL EUROPE

The net result of Continental Europe, comprising besides Portugal also the activities in France and Turkey, amounted to EUR 119 million compared to EUR 136 million in 2020.

Ageas recorded an excellent commercial performance in Continental Europe, with inflows up in both Life and Non-Life. In Life, year-to-date inflow jumped 53% scope-on-scope to EUR 3.5 billion (excluding the contribution from AgeSA in Turkey, acquired in May 2021), driven by strong sales of Unit-Linked products. Additionally, the off-balance sheet flexible pension products in Portugal continued to grow and generated EUR 207 million inflows. Non-Life inflows grew 18% at constant exchange rate, driven by sales momentum in Accident and Health.

The guaranteed operating margin amounted to a strong 108 bps, supported by a solid underwriting performance. The Unit-Linked margin continued its steady increase following the change in product mix and the growth in inflows.

The combined ratio over the year stood at a solid 88%, with claims frequency back to pre-Covid levels as from the second quarter.
The Life result was significantly up, when excluding the EUR 20 million positive contribution from the reserve release in Portugal in 2020. It benefitted from a good underwriting performance in Portugal, further supported by the AgeSA contribution (EUR 11 million) in Turkey since May 2021. The Non-Life result reflected the normalisation of the claims frequency in Motor as well as increased claims costs in Health insurance in Portugal. The contribution to net profit of Aksigorta in Turkey was negatively impacted by high inflation and adverse claims experience.

ASIA

The net result amounted to EUR 403 million compared to EUR 269 million in 2020.

Inflows in Asia increased by 8% at constant exchange rates over the year to EUR 28.2 billion (inflows at 100%). The organic growth recorded in Life and Non-Life was further supported by the contribution from Taiping Re. Life Technical liabilities were up 18% at constant exchange rates, supported by new business growth and high persistency levels. In China, the growth was driven by new business in high value regular products and a strong year end campaign. In Non-Life, inflows benefitted from the Taiping Re contribution, while, scope-on-scope, inflows were up 4%, driven by Malaysia.

With a net result of EUR 403 million, supported by a solid underlying performance, Asia strongly contributed to the overall Group net result. The Life result benefitted from a sound operating performance in China, Malaysia and Thailand, while the continued unfavourable evolution of the discount rate in China was mitigated by higher net realised capital gains and a lower effective tax rate. In Non-Life, all entities contributed positively to the full-year result.

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In 2021 we increased our focus on the customer journey, exploring ways to optimise the experience. In China, Vietnam and the Philippines we deployed technology and servicing platforms to help create the best process and culture for customer engagement, leveraging voice collection and data analysis initiatives.

Gary Crist,
CEO Asia

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The Ageas reinsurance story has been evolving since 2015 when the Group first established an internal reinsurance capability through Intreas. From a small satellite internal activity, reinsurance has grown into a significant segment, delivering business and capital synergies to protect and strengthen the core business.

Antonio Cano,
MD Europe
(including responsibility for Reinsurance)

REINSURANCE

The net result amounted to EUR 87 million compared to EUR 79 million in 2020. The reinsurance inflows included EUR 1.4 billion from the quota share agreements while an internal Life Reinsurance contract set up with Ageas France at the beginning of 2021 generated EUR 29 million inflows. Including the traditional protection business, total inflows are in line with 2020 levels and amounted to EUR 1.6 billion.

In 2021, the Reinsurance result increased 10% thanks to strong fourth quarter results benefitting from a reserve review related to the UK Motor contract and claims provision adjustments in Belgium. The full year result benefitted from a slightly lower current year claims frequency in Motor recorded at the ceding entities, albeit to a much lesser extent than over 2020, partially mitigating the impact of adverse weather mainly in Belgium and to a lesser extent in the UK.

2.4 Events after the date of the Consolidated statement of financial position

On 15 February 2022, Ageas announced that its subsidiary Ageas UK Ltd had concluded an agreement with AXA Insurance UK PLC to sell its Commercial lines front book business, at the level of the Ageas Group the transaction will have an initial impact of EUR 45.5 million on the net results, which will be recorded in the first half of 2022.

Ageas is carefully monitoring the developing situation in Ukraine and Russia, in particular with regards to indirect macro-economic effects such as the future evolution of interest rates and inflation in markets where we are active. The Group is not active in either country through subsidiaries or affiliates. Foreseeable direct impacts are judged to be immaterial, considering the insignificant direct exposure the Group has to these markets.

See also note F.44.

2.5 Statutory results of ageas SA/NV under Belgian Accounting Principles

For a more detailed explanation on the statutory net result of ageas SA/NV and other Belgian regulatory requirements in accordance with article 3:6 of the Belgian Code of Companies and Associations, please refer to the Financial Statements of ageas SA/NV.

Ageas SA/NV reported for the financial year 2021 based on Belgian Accounting Principles a positive net result of EUR 505 million (2020: EUR 672 million) and a shareholders’ equity of EUR 5,570 million (2020: EUR 5,687 million). PwC has issued an unqualified auditor’s report on the ageas SA/NV Company Financial Statements.

Our local and regional CEO’s shared their take on the challenges and opportunities they experienced across Belgium, Continental Europe, the UK and Asia. Read the full interviews here.

3 Strategy and business model of Ageas

2021 was the closing year of the Connect21 strategy. Ageas successfully delivered on all financial targets and made substantial progress in implementing its strategic choices. Engaging strongly with all stakeholders Ageas truly lived up to its purpose as a "Supporter of your life". In June 2021, the new 3-year strategy for the period 2022-24 was launched. Impact24 is a long-term sustainable Growth strategy for the Group and for its people, building on the foundations of Connect21.

The Connect21 headlines that drove the strategy over the past 3 years remain very relevant under Impact24.

Supporter of your life

As a "Supporter of your life" the Group seeks to create value for customers, employees, partners, investors and society at large. For each of these stakeholder groups Ageas made specific pledges and defined corresponding key performance indicators (KPIs).

Impact24 steers Ageas towards long-term sustainable growth

Over the past decade, Ageas gradually evolved into a profitable insurance company constantly looking for ways to develop, with the customer taking centre stage. When designing its strategic plan Connect21 in 2018, Ageas went back to basics, exploring the very essence of its existence. It recognised that the world is becoming more complex, meaning that the role of an insurer is constantly being challenged and expanded to meet the changing needs of all stakeholders.

For its customers, Ageas aims to take care of the "what if's" and the "what's possible" so they can live their life to the fullest with peace of mind at every stage of their journey. Through its competences and skills, Ageas offers solutions in the domains of health, well-being, housing and mobility as well as in matters related to ageing, including savings and pension solutions.

Ageas embraces the latest technological evolutions to create a great customer experience, offering solutions beyond the traditional boundaries of insurance: to prevent, prepare, protect and assist.
In exploring these new areas beyond traditional insurance Ageas also recognises its broader role in society, taking note of those societal challenges where Ageas can add most value. In this context, underwriting the UN Principles of Responsible Investment (PRI) for its investments, the UNEP FI Principles of Sustainable Insurance (PSI), UN Global Compact (GC) principles and embracing a selection of relevant United Nations Sustainable Development Goals (SDG) helps support these efforts.

Impact24, designed during the course of 2021 is a natural evolution from Connect21. Ageas likes to be consistent. Stayed true to the four values: Care, Dare, Deliver and Share. Ageas has already shown that it can deliver against its choices, its values, and financial targets. In fact, it is the success of choices made in the past that provides it with an anchor and a strong platform for future growth.

The Impact24 plan is grounded in the Ageas's DNA and what works well today. The plan also provides flexibility to invest in future trends likely to impact the world not only by 2024 but even by 2030 and beyond. Impact24 was the result of an intense collaboration of more than 100 Ageas professionals from across the Group leveraging the expertise of a good mix of local and corporate based colleagues. The Group's internally developed Horizon Scan, using human and artificial intelligence, allows Ageas to continuously monitor the most significant emerging trends. Coupled with the sustainability materiality assessment, this served as the backbone of the plan. Each of the eight strategic choices is interrelated, and accountability is ensured through clear KPIs and targets, allowing Ageas and its stakeholders to track the Group's progress in a highly disciplined way. The new non-financial and sustainability targets strengthen our commitment to create both economic and societal value. It's all about making an impact, about doing things in the right way and it's also why sustainability sits at the heart of everything Ageas does. Ageas recognises it has a duty of care and responsibility to future generations. This plan is designed to deliver top performance for all stakeholders, as seen in this visual:

Discover more about Ageas's approach to long-term thinking and trend tracking.

Implementing Connect21 and now Impact24 is a gradual process in a world that is constantly changing. The new strategic plan reflects evolutions in a regulatory context as well as fast changing stakeholders' expectations. It builds on the foundations and realisations of Connect21 with no immediate change to the business model. Ageas acknowledges that this means constantly evolving and reinventing itself to retain its competitive edge over time.

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

Ageas's business model

The scheme below presents Ageas's business model and reflects the choices made in Impact24.

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

Starting from its purpose and a set of core values - care, dare, deliver and share - Ageas, present in 14 countries across Europe and Asia, offers Life and Non-Life solutions to millions of Retail and Business customers. Through its commitment to prevent, prepare, protect, and assist Ageas helps customers to anticipate, manage and cover their risks through a range of products designed for their needs today and in the future.

Distinguished by its expertise in partnerships, Ageas has developed long-term agreements with market-leading local financial institutions and distributors around the world allowing it to stay close to the customer. In the future, Ageas will continue to strengthen and grow those partnerships and ecosystems that provide mutual benefit.
By developing products and services beyond insurance, the company aims to respond to new needs and priorities in a world changing at a speed never experienced before.

As is the case for other companies, Ageas operates in a dynamic legislative and regulatory context, taking into account Solvency II and Mifid, and, more recently the updated IFRS regulation, GDPR data protection regulation, EU taxonomy and SFDR. It also relates to regulation or quasi-regulatory frameworks such as the PRI, PSI, UNGC and UN SDG's 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 EU Whistleblowing directive that is expected to come into force in 2022 and the Corporate Sustainability Reporting Directive (CSRD) probably as of the accounting year 2023.

Finally, 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's business model generates several types of income streams:

- Underwriting: the result from the collected insurance policy premiums minus claims and related expenses. The essence of insurance is the pooling or mutualisation of the risk of insured individuals or corporates brought together into a larger portfolio of insured assets. The customer pays single or regular premiums to cover risks related to Life, Home, Car, Travel or more specific type of risks which Ageas insures and pays out claims in case of an adverse event. Going forward, fee income may come from other sources depending to what extent Ageas manages to develop its services beyond insurance.

- Underwriting / reinsurance: Ageas decided in 2015 to set up an internal reinsurance activity which allows it to pool group reinsurance protection, retain a part of the risk coverage for its own account and manage the diversification benefits intrinsic to its solvency framework. In 2020, ageas SA/NV also started to participate in existing Life reinsurance programmes of its group companies with the ambition to further develop the reinsurance expertise and exposure.

- Investments: the net financial result generated via the investment of premiums into other revenue generating assets, such as government or corporate bonds, loans, equities or real estate. By investing in a wide and diversified set of assets spread over many industries, Ageas also actively supports the economy and society while generating a financial return that benefits first of all its policyholders and in a second step flows back to its shareholders or debtholders.

With its group-wide purpose and values, and its clear strategic choices and business model, Ageas aims to be a true "Supporter of your life" and to create value for all its stakeholders: customers, employees, partners, investors and society. The set of KPIs in Impact24 has been broadened compared to Connect21 with first time non-financial KPIs. They reflect the priorities set by Ageas in four distinct so-called impact areas: People, Products, Investments and Planet.

This annual report aims to provide the reader with all the relevant information needed to appreciate Ageas's efforts to meet the financial and non-financial expectations of all its stakeholders.

4

Sustainability at the heart of everything we do

4.1 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.

At the close of Connect21 it is time to reflect on what this plan represented and how this came to life over the past three years: Connect21 integrated for the first time explicitly, society, as the fifth stakeholder to become a stakeholder driven company, aimed at creating value for all its stakeholders whilst taking into account the specificities of the various countries.

And Ageas made a commitment to adhere to the UN Sustainable Development Goals (SDG). Based on Ageas's core competences it chose to actively work around the following ten SDGs:

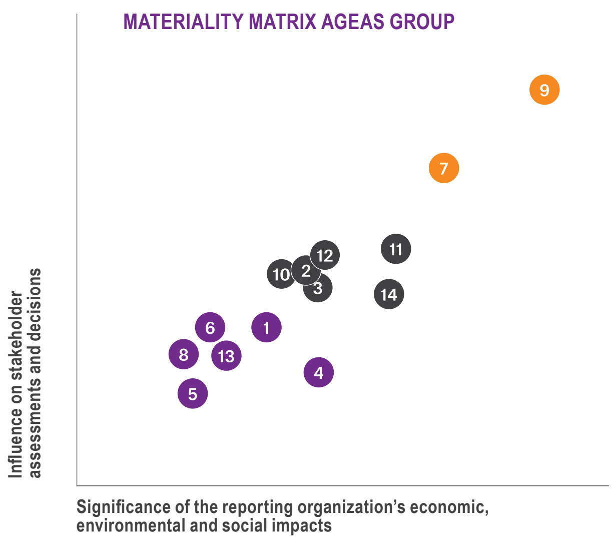
The visual symbolises Ageas's stakeholder engagement and a clear commitment on who the company wants to be as a Group, a true "Supporter of your life".

Ageas is on a sustainability journey built on its strong foundations, starting from its DNA. Looking back on the last three years there are a number of achievements that stand out:

- The formal engagement with stakeholders to gain a clearer view on what they consider the main priorities for the next 3 to 5 years (materiality assessment);
- Increasing transparency to the outside world on how sustainability lives within the Ageas group, and formally embedding processes internally, strengthening knowledge on opportunities it can bring and adapting the governance model to reflect the explicit ambitions under Impact24; and
- Supporting the development of Impact24, the new strategic plan, with for the first time in Ageas's history formal sustainability targets.

Ageas's materiality assessment reconfirmed by 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 is presented in the following materiality graph:



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 the insights from the group materiality assessment Ageas Portugal and AG in Belgium conducted their own materiality analysis focused on the local operations. 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 indirectly covered in the group assessment. The outcome for both was in line with the group outcome, with some topics having a slightly higher or lower position on the materiality matrix. As well as the list of material topics at group level, each subsidiary identified other topics of significance to the 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 amongst the highest, AG considers it as an area to develop given the potential impact.

Sustainability, a new strategic choice in Impact24

Inspired by the results of the materiality assessment results and the outcome of the Horizon Scan, the Group's new 3-year strategic plan was built, Impact24. This sets out the strategic direction for the years 2022-24 and puts sustainability at the heart of the business. 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 the DNA of the company to life.

The sustainability ambitions have been clustered around four impact areas, i.e. : Our People, Products, Investments & Planet.

Our People, Products, Investments & Planet

Our ambitions are that:

- We will work towards a diverse workforce ensuring fair and equal treatment of our employees, while fostering a culture of continuous learning and taking care of the health and wellbeing of our people.
- We will offer transparent products and services that create economic and societal value, stimulating our customers in the transition towards a more sustainable and inclusive world.
- We will strengthen the 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, aiming to be 'GHG-neutral' in our own operations.

More information on the nine sustainability targets and the whole plan is available on the Impact24 website. As from the annual report over 2022, progress against those targets will be reported upon.

Governance of sustainability

Since Connect21, formal sustainability governance has been put in place with the Group Sustainability team reporting directly to the CEO of Ageas, underscoring the commitment and the importance given by the company to ESG. Regular presentations and updates have been provided to the Executive Committee and Management Committee as well as to the Board, 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 specific deep-dive session was organised with the Board in order to establish an urgency matrix combining the maturity level and the material topics as they came out of the materiality survey.

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 5.7 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, 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 and to ensure 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.

To implement the Impact24 strategy a new department has been created under the CDSO, Chief Development and Sustainability Officer, leading all transversal initiatives across the Group. The CDSO has a seat on the Ageas's Management Committee. Group Sustainability is part of this new organisation to ensure sustainability is fully embedded within all processes and especially within the new product development. In addition, a Steering Committee chaired by the Group CEO takes care of any strategic discussions that may arise in the course of implementation that should further contribute to a smooth ESG transition. The new organisation was launched as at September 1, 2021, and has been fully operational since the beginning of 2022.

Scope and set-up of the non-financial information disclosure note

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. They elaborate on the progress made by the stakeholder group linked to the outcome of the ESG materiality survey conducted in 2020 but they are also consistent with the pledges agreed upon within Connect21. Given 2021 is the last year of the Connect21 strategy, the set-up of reporting is similar to last years. Impact24 ambitions will be reflected on in the next year's annual report. The selection of the KPIs is benchmarked with ongoing initiatives and standards such the World Economic Forum's Towards common metrics and consistent reporting of sustainable value creation and SASB insurance sector standard; these benchmarks serve as an additional source of inspiration for further KPI development. Where possible and appropriate, Ageas also provides in addition to qualitative information a number of quantitative non-financial indicators.

For the second time, the information and data in the Annual Report is prepared in accordance with the GRI Standards: Core option. The GRI Standards 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 organisation's positive or negative contributions to sustainable development. The GRI content index (see section H) shows against which indicators Ageas reports, and where to find the respective information. Similar to last year, the principles of integrated reporting were applied wherever possible. 2021 is marked as the first year of reporting under EU taxonomy, more specifically on the taxonomy eligible activities and investments. This information has been reported in a dedicated note 4.6 on EU Taxonomy.

Ageas is a signatory to United Nation Global Compact and underwriting the Principles of Sustainable Insurance. The reports over 2021 are included in the form of reference indices in this annual report in section H Other Information UN GC Progress Report Index and section H Other information PSI Index. 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 sustainability reporting website as well as the second TCFD report (https://sustainability.ageas.com/reporting).

More information on Ageas's strategy and business model can be found in A.3 of this report; ESG risks are addressed in the section 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, unless otherwise stated.

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

4.2 Our customers and partners

Material topics covered in relation to the customers

- 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 a profound change with increasing societal challenges further exacerbated by the health crisis. 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. Within Impact24, Ageas is raising the bar, supporting its customers in the transition to a more sustainable world leveraging best practices that already existed in 2021 as a stepping-stone for this new strategy for the coming 3 years.

Within Connect21, the focus has been widened to activities in the area of prevention and assistance helping the customers to anticipate potential risks on top of regular protection and assistance in case of an adverse event. This extended ambition allows Ageas to offer solutions to its customers that create economic and societal value resulting in new types of partnerships beyond our traditional alliances. All these commitments have been formalised into clear pledges Ageas made towards its customers and partners and which have been confirmed in the new Impact24 strategy.

The pledges we made towards our customers are the following:

- We help customers to protect what they have and to make possible what they aspire.
- We engage with our customers for the long term.
- We provide a great customer experience.
- We offer a personalised approach underpinned by clear and open communication.

The commitments made towards customers are strongly linked to the company's strong ties with partners as many of our customers are served by those partners. Our pledges towards partners are the following:

- We invest in long term partnerships or alliances.
- We give our trust to partners who share our values and ambitions
- We constantly seek to evolve and improve partnerships to the benefit of all parties.
- We look for opportunities that allow us to succeed together.

Group wide Ageas serves nearly 45 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.

Ageas wants to deliver on the expectations brought forward by stakeholders in the materiality assessment: "Insurance products and services protecting against societal challenges; easy to understand, fair and transparent information to customers and insurance products and services incentivising responsible behaviour" were considered as material topics. These commitments are brought to life in our business as illustrated through the many initiatives set out here and with Impact24 now offering a framework to further strengthen the approach.

Insurance products and services protecting against societal challenges

Health and wellbeing

The pandemic increased awareness of the importance of health and wellbeing around the world. Ageas is fully endorsing SDG 3 by taking care of people's health and wellbeing and also SDG 8, where collaboration with other partners is key to offering new opportunities for growth.

When considering initiatives in the health and wellbeing space, Clínica Médis, the dental clinics in Portugal come to the mind, as the concept is both innovative and unique, meeting the needs of so many people and offering access to oral health independent of whether you are a Médis customer or not. With 11 clinics, employing around 100 dentists and over 130 employees, the dental clinics also create opportunities for professionals to stabilise their income and ensure growth. Since 2019, more than 22,000 patients experienced a differentiating service through personalised treatment plans which provide an indication of the most important treatments in line with their budget, offering phased payments. This translates to an NPS of 81 out of 100 reflecting the loyalty and satisfaction of customers. Since March, the first dental clinic hub has been in operation for testing new concepts and services to ensure a future proofed approach. In this context, a new service called clinical analysis is currently being offered, and if successful, this service will be extended to the other clinics.

Also in Portugal, the Médico Online, launched at the start of the pandemic, has proven to be an enormous success in the past year with 48,000 users and achieving an NPS score of 4.8 out of 5. This Telemedicine offer allows people to speak to a doctor on their mobile phone and to benefit from the clinical platforms available through Médis. In the case of prescriptions or treatments, customers will receive all information via mail or sms.

Increasing access to medical services outside of hospitals remained a universal concern during the pandemic, and in this context, MB Ageas Life in Vietnam stepped up to donate 10,000 online health consultations and Covid-19 rapid test kits to the community as many people in Vietnam lack access to even basic medical services and equipment.

AG is creating a positive impact on mental health through the Return to Work initiative. The statistics in Belgium are worrying, with almost half a million Belgians on sick leave for more than a year, and up to 24% expressing a high probability of being incapacitated for work due to stress in the coming three years. Stress related disorders require specialised care, but treatment is all too often fragmented with extended waiting times. That was the starting point for AG in 2017 to create "Return to Work" a voluntary programme for staff that offers proactive, individually tailored assistance, aiming to get staff with a stress related condition (e.g. burnout syndrome) fit for active duty again.
The number of Return to Work programmes has doubled each year and roughly 70% of completed assistance programmes have proven to be successful. Participating staff members on long-term sick leave for a stress-related disorder were back in the workplace after approximately 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 who do not have access to such an assistance programme are still not well enough to return to work two years later.

The future of health relies on prevention

As an insurer, we are increasingly investing in prevention, building partnerships that allow us to take care of people's health instead of people's illnesses. And with cancer still one of the mostdeadly disease, several of Ageas's businesses are promoting early screening initiatives.

In 2021 Ageas Portugal Group took the lead on a major nationwide Colon Cancer preventative campaign. With colorectal cancer ranking as the 3rd most common oncology disease in men and the 2nd in women in Portugal, one would expect screening practices well embedded as early detection translates to a 90% survival rate. Unfortunately, the topic is still a bit taboo, leading Médis, together with the National Association of Pharmacies and the Ageas Foundation, to launch a compelling campaign, inviting the 50+ population (most at risk) for screening. The kits were offered at a symbolic cost of EUR 5 per test, with the first kits being free, as was the case for Médis customers. A comic book and powerful testimonials raised the attention for screening to new levels. The campaign attracted more than 4,000 people for screening and from this group 4.2% were identified as positive, which proves the importance of such initiatives.

Portugal was not the only company to support prevention against colon cancer. AG in Belgium started the partnership with "Stop Colon Cancer" already some years ago as also in Belgium, colon cancer is, after lung cancer, the second most common cancer for both men and women. Through this partnership AG gives its support to efforts around prevention to encourage people to adopt a healthy lifestyle. AG also provides financial support to other organisations such as the Belgian Cancer Foundation and Move4Cancer.

And in Malaysia, Etiqa is already for many years active in incentivizing woman to attend breast screening through the Etiqa's Free Mammogram Programme that has already reached 17,000 underprivileged women across peninsular Malaysia. And more recently in November, the month that puts men's health in the spotlight, a campaign was started to stimulate men to do regular prostate screening as this cancer can be easily healed when detected at an early stage.

Taking care of our mental health is equally important. Ageas UK undertook a much appreciated initiative in this field providing resilience training for brokers. The most significant annual event for brokers and insurers was dedicated to the theme of resilience. Ageas UK already invested in training on the topic for its employees and extended this initiative to its brokers. With the help of a professional wellbeing expert, a series of videos with practical tips related to emotional resilience exclusively aimed at the broker community was developed. And with 1 on 4 brokers attending, the event was a real success. This initiative was one reason Ageas UK was named Personal Lines Insurer of the Year at the Insurance Times Award.

Ageing

While scientists are divided in their forecasts of the world's population growth, they are though unanimous on the fact is that populations are getting older. The world is ageing, and this will have a major social and economic impact which we need to prepare for now. Ageas is adapting its offer looking at different ways to support the needs of this growing segment with ecosystems and partnerships being strategic enablers to do so. In this area, Ageas is demonstrating its commitment to SDG 3 but also to SDG 1 and SDG 9.

In May 2021, Etiqa Singapore launched AMBER, a retirement ecosystem. The new platform complements the insurer's growing range of financial solutions tailored to savings and retirement planning, by offering customers a more holistic approach to life in retirement.

As ageing populations grow and demand for retirement-oriented services continues to rise, AMBER seeks to educate customers about the importance and process of planning for retirement, providing at the same time viable ways to finance a longer, more active and more fulfilling retirement. Among its retirement offerings is ePREMIER retirement, a retirement insurance savings plan that provides a guaranteed monthly retirement income as well as the freedom to choose one's preferred retirement age and premium term. The policyholder enjoys protection throughout the term of the policy. Another soon-to-launch retirement product by Etiqa will provide coverage for age-related illnesses, and flexible retirement income options.

Addressing the physical and mental health aspects of ageing, the AMBER ecosystem also presents an array of retirement-related information and services to add value to the lives of pre-retirees and retirees. A survey brought to light three pressing retirement needs: to remain emotionally healthy and mentally able (98%), to be physically healthy (98%) and to be less dependent on others (97%).

Reflecting the organisation's motto of 'Humanising Insurance', AMBER responds to these demands with Amber Adviser, a matching service to connect customers to available local service providers based on their unique needs, from nursing homes, caregiving and nursing care to professional services such as physiotherapy and dental care. AMBER members enjoy member rates on any services booked through the platform.

Also Ageas Portugal Group offers a holistic approach towards the senior population with "MaisIdadeMais", a new umbrella concept for seniors with a value proposition based on 4 key pillars: more income; more protection; more well-being; more health. Regarding the latter, Médis vintage launched in 2020, saw its sales increasing by 50%. The new care services and assistance that focuses on clients' real needs such as flu vaccines and health at home services are clearly a success. Services like Médico Online and Telemedicine have further increased customer convenience. And the new concept of saving decumulation solutions for retirees made Ageas a pioneer in the market. The revamp of Personal Accidents coverage for seniors with flexible covers and attendant services like travel or home assistance brings more protection, together. This is also the case with a new solution for Senior Critical Illness that comes with additional services like financial support for funerals. With more services in the pipeline Ageas Portugal Group is building a true ecosystem for senior people.

Inclusion

Ageas wants to take care of the most vulnerable in society, looking at solutions that make insurance more affordable and more accessible reflecting SDG 1 on reducing poverty and SDG 10 on eliminating inequality.

Aksigorta is offering the fairest price to its customers via artificial intelligence. The basis of insurance is the calculation of risks that may arise in the future and the cost that will arise from it. Making this calculation sensitively and accurately also makes it possible to offer a more suitable and equitable product for the customer. Alongside the traditional risk models developed by actuaries, Aksigorta involved data scientists and created another layer with artificial intelligence algorithms, allowing Aksigorta's traffic and automobile insurance product prices to be much more affordable and competitive. Aksigorta is creating a win win by protecting its customers' budgets and also benefitting in terms of profitability and market share. Aksigorta is now the fastest growing insurance company in the motor business.

Ageas France has organised itself to cater for the special needs of the disabled. The company makes certain that the right legal framework is in place to ensure those most vulnerable in society can benefit from advantageous fiscal conditions and substantial tax reductions when signing up for Life insurance. Although the product has existed already for quite some time, the complexity for insurers in handling all administrative procedures means it is still not that well known. Ageas France is one of the players in the French market organised against this vulnerable segment which today represents around 5% of its portfolio or EUR 21 million.

In line with Ageas UK's commitment to "Understanding People and Simplifying Insurance", the Ageas Care Programme was developed to support vulnerable customers.
The first step in this training programme was to help people understand the characteristics of vulnerability from many different angles: physical or mental health, age, life events or crime. It was rolled out to the customer operations team in the first instance, and then delivered to a wider internal audience, to get the understanding fully embedded in the culture and work modus.

To help improve the level of understanding, Ageas UK took time to listen to hundreds of customer calls, analysed complaints and spoke to charities to understand specific vulnerability and the impact this can have on a customer. Based on those insights, a guide was created which everyone could use to better serve vulnerable customers from the pricing and designing of products to how to communicate.
Dealing with vulnerable customers, particularly extreme cases, can be upsetting for those who take the call. This is exacerbated when working in a home environment with no colleagues physically close by to talk with. An important part of the training therefore focuses on protecting employees' mindfulness, which is particularly important during the pandemic. A chatbot that uses built in trigger words, provides an early alert that a customer might be vulnerable, so that the most appropriate support to his or her situation can be given.

Tiq Invest in Malaysia is making investments more accessible. When Etiqa in Malaysia thought about creating a new investment product for its customers, the emphasis was on keeping it simple, flexible, and with low entry requirements to make the product accessible for the less fortunate. As a low-cost online Investment Linked insurance policy, Tiq Invest breaks the mould with policy management charges of just 0.75% per annum of the account value, among the lowest in the local insurance market. And policyholders can easily top up and withdraw funds or switch Packaged Funds at any time, free of charge via the Customer Portal 'TiqConnect' or via the 'Tiq by Etiqa' App.

Climate change

Insurers have a role to play in managing the climate change and going green is no longer a nice to have. The examples below illustrate Ageas's commitment to SDG 13 but also to SDG 9 and SDG 17.

Crop Insurance helps farmers manage the impact of climate change. Back in 2020, AG and Dutch specialist insurer Hagelunie joined forces to develop an offer for farmers in Flanders to insure their crops against the damage caused by natural phenomena through the comprehensive climate risks weather insurance. Farmers are often one of the first victims of extreme weather events, from more storms and persistent rain, gusts, and hailstorms to long periods of drought having a devastating impact or at worse destroying entire harvests. The partnership combines AG's knowledge of the farming sector and extensive distribution network with the specialist expertise of Hagelunie in the field of agricultural risks. At the end of the 2nd harvest season the results were again very encouraging both in terms of the number of contracts concluded but also in terms of claims management, although it remains challenging to reach all farmers. The extremely wet summer of 2021 had a significant impact on the agricultural sector, although most farmers did anticipate this, harvesting crops earlier. The loss of harvest was compensated for by this new insurance policy with up to 80% of the damage suffered paid out.

Crop insurance is also on the agenda in Asia with new technologies being applied to underwriting (eg. yield estimation) and loss assessment (using satellite imagery or drones). Through our joint venture with Taiping Re, Ageas is active in this field with business mainly written from China.

AG is supporting the transition to a greener carpark offering global solutions through Optimile and SoSimply. When AG became a shareholder of the scale up company Optimile two years ago, alongside partners BNP Paribas and Touring, it did so see the long-term potential in multimodal mobility services. 2021 saw a further investment of EUR 8 million by the partners to support Optimile's development into the segment of charging-as-a-service (CAAS).

With the number of electric vehicles increasing particularly in the commercial sector, the growing need for public charging stations became a reality in Belgium. Loosely translated this means that if the country's goal of a 100% electronic commercial vehicle fleet by 2026 is to be achieved, more than 100,000 new publicly accessible charging stations will be needed.

Optimile's cloud-based platform allows companies to easily integrate electric vehicle charging into global mobility offerings to their customers and employees. The charging card and accompanying smartphone app Mobiflow provides instant access to one of the largest networks of charging stations in Europe with over 135,000 locations in 19 countries; it also gives information about the prices and time needed for the charging creating more transparency. This ecosystem was further developed in 2021 through a new partnership with AG's subsidiary SoSimply. Their home repair provider SoSimply installs loading stations' hardware at the office or at home, improving the driver's access to charging facilities.

AG's own employees can already start benefitting from the CAAS offering and brokers are showing a major interest in installing the infrastructure for their clients and staff. As from 2022, this offering will be opened to a large B2B SME, retail and self-employed target market to create a one stop solution for the customer, offering leasing, CAAS solution and insurance all in one. Additional covers are added to the Home (coverage for problems caused by the loading station) and Car insurance (appropriate assistance and claims services to hybrid and electric vehicles) offering customers peace of mind. The ultimate aim is to make the transition to an electric vehicle as easy as possible.

And still in Belgium, the Eco score, a quality label for environmentally friendly vehicle repair in the automotive sector is being developed with the support of AG. When it comes to vehicle repairs, the damage is traditionally estimated in euros. The environmental impact of the chosen method of repair has until now not been considered. That is about to change as the Eco Repair Score®, introduced at the beginning of 2021 by the expertise agency Vonck and VITO (Vlaams Instituut voor Technologische Ontwikkeling) is a quantitative measurement that enables a reduction in the environmental impact of vehicle repairs in a measurable way. Historically for those who wanted to make efforts to reduce the impact on the environment there was a lack of quantitative benchmarks as they simply did not exist. The partnership with VITO is key in the development of this standard: they have a long-standing expertise in ecological sustainability assessments. The Eco Repair Score® will not only be used for individual repairs, but also for an Eco Repair Scan of entire portfolios and the presentation of an Eco Repair Index for the whole automotive sector. AG, together with other partners is not only delivering financial support but also sharing expertise and data to test and validate the model.

Technology and digital, simplifying our products and making them more accessible

In a world in which remote working and servicing became increasingly important, our digital products have continued to evolve often powered by new technologies such as AI, increasing accessibility, convenience and transparency for our customers. This new digitally enabled world, accelerated by the pandemic, makes it possible to reimagine the customer experience and to make insurance much easier reflecting our commitment to SDG 9 and SDG 17.

A series of new Life insurance products have been developed targeted to young and digital savvy customers as Investment products are often assumed to be complex with too many barriers to entry. The aim is to make these types of products more accessible and attractive to a wider market including younger people, who might traditionally be less focused on life insurance and long-term savings. As well as offering the protection to enjoy life to the fullest, these products are particularly beneficial during this period of prolonged low interest rates.

An example of this new generation products is Uppie in Belgium, a fully online investment product, alongside the new partner KeyTrade Bank. Investments start from as little as EUR 10 giving access to a broader and younger audience. Saving or investing is not only simple and transparent but there are also no fuss formalities. It is a fully digital experience supported by an intuitive interface and digital services. All written in clear, simple language, supported by video and audio.

In Portugal, YOLO! confirmed its unique positioning in the rather traditional space of Life Risk products by ensuring the protection of customers so that they can enjoy life to the fullest. "YOLO!" honours its name, based on the English acronym “You Only Live Once” well spread on social networks, as it is clearly appealing to younger segments, traditionally less focused on life products.
It is a flexible Life Risk product that allows the customer to have higher capital in life coverage than in death coverage. In addition, this product offers protection in case of a set of serious diseases occurring.
YOLO! provides a simulator to the customer to help him better understand his concerns and protection needs according to each lifestyle. Thanks to the innovative mechanism "Life Cycle" it is also possible to adapt the coverage and capital to the most remarkable moments of life, such as marriage, home purchase, birth, or adoption. YOLO! is also based on state-of-the-art technology applying a machine learning model classifying customers and allowing for a more simplified subscription process.

After the first year, sales overtook the initial ambition, rejuvenating the Life Risk portfolio and increasing the number of new policies to almost 20,000 or more than 160% The success of YOLO! was further strengthened through the launch of Millennium bcp and Activobank applications.

Also in Asia, the purchase of Life insurance has been made easier and more affordable. Dash Pet (which stands for Protect, Earn and Transact) is an umbrella policy with on demand protection solutions, offered through Singtel, Singapore's largest mobile network. This way, Etiqa Singapore reaches young customers that value the flexibility of daily premium adaptations and a seamless post sales service. 20,000 customers already subscribed and with several new features planned, a further increase can be anticipated.
Concluding the list of examples, Troo Flex in the Philippines is a customizable digital insurance solution that's exclusively available on the Komo digital banking app of East West Rural Bank and aiming to make insurance easily accessible and adaptable to customer's needs. Komo stands for 'Keep Our Money Online' an exclusively digital banking service allowing customers to open and manage all transactions completely online and allowing customers to enjoy one of the highest interest rates from any Philippine bank today.

The insurance solution Troo Flex targets young Filipino professionals aged 20-30 years old, with existing bank accounts and comfortable with digital process and services. Customers can design and subscribe to the health and protection plan from their mobile phone anytime anywhere as the underwriting process has been simplified. They can get as much as ₱1 Million Life insurance cover (about EUR 17,500), accidental death, disablement benefit as well as critical illness benefit.

Artificial intelligence is intrinsically linked to digitalisation as an enabler of customer experience and chatbots for example are reshaping the way insurers operate and engage with their customers.

Chompoo is an AI powered Chatbot developed by Muang Thai Life, supporting call centre employees and agents in selling more complex products like Heatlh and Protection. The chatbot answers all questions and provides information in an easy to understand way allowing an excellent and fast service to the customers. The chatbot operates via Chompoo which is the largest messaging platform in Thailand creating a natural, seamless experience like chatting with friends. To date, Chompoo is trained in 9 products. In total more than 3,000 users have 'adopted' the chatbot and more than 33,000 questions have already been answered with an accuracy level of 89%.
The service will soon be available directly to the customers via MTL Click, the primary customer application of Muang Thai Life.

Ageas UK continued to deploy technology to improve the customer experience in its call centres. This has included greater use of voice bots applied to 350,000 calls in 2021, leading to improved efficiency, reducing the time spent on the phone with consultants by around 45 seconds. In addition, more than a third of motor customers now service themselves directly online, including registering and following the progress of their claims. These improvements allow call centre agents to engage in more elaborate conversations with customers when it really matters to them.

Easy to understand, fair and transparent information

Communicating in a transparent and understandable way with customers remains a top priority for Ageas. Digitisation has been a strong enabler to simplify our products and make them more transparent. With Impact24 we want all our products to be recognised by our customers as easy to understand. Providing tools to help make informed decisions and investing in financial literacy illustrate this commitment bringing SDG 4 to life.

Etiqa in Malaysia and the Swedish retailer IKEA joined forces to offer customers of IKEA a new home contents insurance solution. Available online, the policy is designed to make home insurance simpler, more affordable and more accessible to the public. With 200,000 visits a day, the offer attracts a lot of attention. Thanks to a fully digital application process customers make the purchase via the IKEA website and manage their insurance policies online thereafter. The comprehensive policy offers home contents, personal liability and personal accident insurance on a fast and easy way whether this relates to buying insurance, submitting claims, or receiving payouts. Customers without a claim enjoy bonus points. The product is appropriately named HEMSAKER derived from the Swedish words for "home" and "security" – perhaps now, more than ever before, making our homes feel like a safe place to be is something we all desire. In 2021, the number of policies grew by 115%.

Following the success of the radio broadcast series in 2020 explaining insurance products in an easy and transparent way, Ageas Portugal Group collaborated in a new series in 2021. This time the focus was on prevention with a twist. A well-known Portuguese humorist played different roles illustrating how accidents occur in the context of the house or traffic or how health issues can easily arise, showing how to prevent these situations. The programme was covered in 24 broadcasts reaching up to 2,350,000 listeners.

Ageas Portugal Group takes its responsibility for educating and informing customers in an open and transparent way seriously as illustrated by the project Voz Clara or "understandable voice" aimed at adopting simple and human language and bringing the customer closer. The project consists of four pillars starting with providing training, given by an external partner to people that frequently need to interact in writing with the customer. An e-learning course is accessible for all employees. The second pillar was a review of all outputs and documents Ageas Portugal Group sends to the customer. The two remaining pillars are the monitoring of the results through internal half-yearly audits, and the distinction of teams excelling in translating "voz clara" into practice.

The Ageas Foundation in Portugal joined forces with ColorADD to launch an innovative new app which allows colour blind users to identify the colours of objects through the camera of a mobile device.

In a world where 90% of communication is done through colour, it is estimated that some 350 million colour blind people are discriminated against, relying on others for support. This can substantially restrict their daily lives, and so many of the things we take for granted, whether in a social or professional setting.

The new colour identification app plays a vital role whenever colour is used for identification and orientation purposes or just to make choices. Ageas Portugal Group is the only insurance company worldwide to adopt the ColorADD colour coding in its communications. Ageas Portugal Group has enjoyed a long-standing partnership with ColorADD based on its belief that communications and language should be as inclusive as possible. As a Group, Ageas believes strongly in inclusion at every level, and this initiative is indicative of this.

Almost 5 years after launching Yongo, a savings and investment platform for kids at AG in Belgium, the approach was further simplified reinforcing the value proposition towards parents. The focus was on what matters most to them, engaging with this digital native generation in an easy and transparent way to save for the future needs of their kids aged below 8 years. And very soon, grandparents also will have access to the platform allowing them to build a moneybox for their grandchildren. Yongo was the first offer in these new generation investments to target a younger and digital savvy audience with simple to understand and easily accessible solutions like Uppie and Yolo!

Insurance products and services incentivising responsible behaviour

Ageas is aware that as a leading insurer, it has a unique role in incentivising preventive and responsible behaviours among its customers when facing societal challenges. The company seeks to combine its insurance expertise with the needs of society to stimulate product innovation, embedding sustainability in its product development. Different examples show how SDG 9, SDG 11, SDG 13 and SDG 17 are put into practice.

Sustainable solutions

Ageas has a broad range of sustainable investment solutions for retail, private and institutional investors (see also section 4.5):

- Group insurance policies that respect strict sustainability criteria such as norms-based screening on human rights and ILO conventions, negative screening on gambling, animal abuse, ….;
- Unit-Linked sustainable solutions with a focus on sustainable themes (diversity, climate,…) or sustainable strategies (exclusions of controversial sectors, best-in class, carbon footprint reduction, ...).

AG also offers a broad and increasingly large range of sustainable products including pension products, long terms savings and unit linked products. Most of them have the external certification Towards Sustainability label. AG decided to focus on this certification explaining a temporary decline in the overall number of certified products compared to 2020 and an increase in the category “without certification” as some products are in the process of label transitioning. AG aims to further increase the certified products and is currently the only insurer in the market to be able to offer fully certified Branch 21 products. In 2021, the amount of sustainable solutions has continued to grow thanks to the strong interest from clients, mainly in unit-linked business, bringing the total amount to EUR 12.8bn, which is an increase of 15%, compared to 2020.

Discover more about how we are increasing transparent products and services that create economic and societal value.

Increasing environmental awareness

Ageas UK's award-winning green car parts project continues to go from strength to strength. Now, around 20-25% of its repairs involve the use of green car parts. And thanks to Ageas's innovative move to combine its salvage operations with its green parts supply, one in five of the green car parts it uses comes from its own salvaged vehicles. This forward-thinking project is helping to extend the life of materials already in existence, while reducing the need for more plastic and metal to be produced. And at the same time, with problems in the global supply chain, green parts have proven to be a faster solution. No surprise that the ABI (Association of British Insurers) selected green parts to feature in its film to showcase at COP26 how the insurance industry is accelerating its work to meet net zero.

Etiqa is the only leading motor insurance and takaful player in Malaysia to offer the service "drive less and pay less" addressing both the fact that customers are facing tough economic challenges, accentuated by Covid-19, while promoting a scheme that naturally encourages less pollution.
Driving less than 5,000 km, gives a 30% premium reduction, with a sliding scale of incentives linked to the reported mileage. To qualify for the rebate, customers only have to submit photos of their odometer and car registration plates through the Etiqa's Smile App, increasing also the engagement with customers.
Etiqa is clearly demonstrating with this "drive less save more" initiative how business and societal challenges, like the environment, can marry to achieve a win-win for the customer and the world as a whole.

With "Fiat Connect Motor Insurance" Aksigorta was the first in the Turkish market to launch an application tracking vehicle usage data. Thanks to the collaboration with Fiat, the number of days of vehicle usage and the customer's driving behaviour can be analysed. These data are evaluated by Aksigorta and reflected in the automobile insurance price. Drivers using the application and demonstrating the right driving behaviour benefit from discounts of more than 10% on motor insurance policies, depending on the period of use of the car. With this Project, Aksigorta) sold around 4,600 policies throughout 2021.

A survey amongst employees showed that energy efficient glazing is the first and most important angle when considering increasing the energy efficiency of people's homes. That is why Ageas Portugal Group decided to set up a pilot with its employees to develop a service aiming first of all to promote literacy on the importance of more efficient solutions in the medium-long term, to support and advise on the right choice of equipment for each property and to offer a partnership with a supplier that guarantees the most appropriate solution at a competitive price. As a first result, a partnership with a supplier was concluded offering employees a discount when substituting windows into more energy efficient ones.
Major opportunities lay ahead as Ageas Portugal Group currently has a portfolio of approximately 600,000 housing policies. Of course, this is still a project at an early stage, but it does illustrate our firm commitment to offer solutions to our customers that provide a sustainable choice. Ageas Portugal Group already has a strong track record in this space with solutions for leakage for instance.

Measuring the effectiveness of the pledges to customers

Ageas keeps on investing in measuring the NPS of its customers. Ageas is consistently developing the touchpoint NPS not only in its consolidated markets, but also within its partnerships. Gradually the degree of implementation is increasing. Aksigorta in Turkey was already measuring all of its customer journeys, and in 2021, Ageas Portugal Group deployed NPS across all its brands and in all its lines of business. Combined with a feedback loop process, this has proven to be a great approach towards continuous improvement in the customer experience. This is also the case in Ageas UK that enjoys a strong track record in organising for a better customer experience, by better understanding the end-to-end customer journey.

In 2021, we saw some volatility in the results of the competitive NPS. While Médis in Portugal stays ahead of the healthcare market segment and Ageas UK was able to score largely above the market, some brands fell below the market average despite good results in the touchpoint NPS. Through Impact24 strategy Ageas is focusing even more on this key indicator to measure progress in the customer experience. Ageas's customers can expect a best-in-class customer experience with a top quartile NPS and the assurance of a continuous improvement in its performance.

Number of customers incl. non-consolidated entities (in mio)	2021	2020
Belgium	2.91	2.97
UK	4.32	5.16
Continental Europe	9.68	5.18
Asia	27.66	25.53
Total	**44.57**	**38.84**
Presence		
Number of countries with direct or indirect presence	14	14
Customer satisfaction		
% of consolidated entities with NPS benchmarking versus competitors	58%	58%
% of consolidated entities with an NPS score at or above local market average	75%	92%
% of customer journeys/touchpoints consistently monitored on transactional NPS	71%	61%

4.3
Our employees

Material topics covered related to employees

- Health and well-being of our employees
- Personal and professional development of our employees

The continued Covid-19 crisis has, more than ever, created challenging times for all employees, in terms of well-being, belonging, collaboration and being part of a bigger purpose. Nonetheless, while re-thinking Ageas's way of working and shaping its own Future of Work, Ageas's workforce has demonstrated an extraordinary authentic engagement and commitment to deliver upon all promises, towards all stakeholders.

Together with its customers, Ageas's employees are at the core of its business. In order to fully support its 40,000 employees, spread over Europe and the joint ventures in Asia, who join forces every day to deliver, Ageas is building further on its pledges towards its people. It recognises the contribution of each individual, promotes a collaborative, diverse and inclusive culture based on mutual trust, and invests, both (i) in people by creating an environment of constant learning and well-being, and by extending the investments in development and Talent Management as well as (ii) in its workplaces, making on one hand its offices vibrant meeting places for collaboration, co-creation and learning experiences; on another hand the home working places convenient, well-equipped like-office working spaces, contributing to a better work-life balance.

A 'Sm@rter Together' Group Approach

In preparation and anticipation of Ageas's new strategic plan Impact24, which was developed during the course of 2021, a number of different initiatives have been put in motion that demonstrate the Group's ambition to be a Great place to Grow for all employees.

In support of this ambition, a dedicated workstream 'Sm@rter Together', has been defining and shaping a customised response to the challenges of the future of work. 'Sm@rter Together' has enabled a Group-wide approach including:

- Adapted HR policies and processes enabling a swift and flexible response to the new reality, taking into account the increase in hybrid and remote working, while rethinking and reorganising the approach to office work;
- Ongoing investments in new offices, referred to as 'Great places to Grow under construction';
- Investments in collaborative digital tools and the development of digital skills for all employees, which has never been more important;
- Change management tracks developed to support an adaptive leadership, culture, and team collaboration within the new work reality, reflecting also the values of Ageas.

Great places to Grow under construction

In creating a 'Great place to Grow' for the Ageas employees, a dynamic work environment is at the core. Covid-19 changed the way Ageas thinks about the future of work, acting as an accelerator. It is not just about the new phenomenon of hybrid working. The right physical office environment 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.

2021 was marked by the creation and building of new sustainable workplaces where people can meet or easily connect with peers working remotely and get work done in the space that is best suited to the activity.

A quick tour of all the sites under construction

Firstly, the announcement of plans for a new headquarters' building for the Ageas Corporate Centre. This relocation to a brand-new location, the Manhattan building in Brussels, will happen in Q1 2023. This building has been completely renovated and designed with the future in mind, putting sustainability and well-being first. This new home base corresponds to the values and vision of Ageas and reflects the Group's ambition to be a Great place to Grow for all employees.

Secondly the expansion of AG Insurance offices incorporating a brand-new learning and innovation centre, the AG Campus. In this new concept of learning and development, employees can share their individual talents and be mutually inspired by others. Employees can take advantage of the most modern learning techniques to extend their skills and expertise and all this in a fully sustainable environment aiming for net-zero carbon emission.

And lastly in Portugal, new offices in Porto and Lisbon have been built to consolidate six geographically dispersed office sites into two. These state-of-the-art offices will create greater proximity and the conditions for a new way of working expressed in the Olá amanhã programme ('Hello Tomorrow'), incorporating as well a dedicated learning and development space.

These new buildings aim to be BREEAM certified on completion, guaranteeing social, environmental, and economic performance. From managing energy, water, and waste consumption ecologically, to the use of sustainable or circular materials and ensuring all the conditions of well-being for Ageas's employees.

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.

The Ageas Challenge

The Ageas Challenge was launched around the world back in 2019. By the end of 2021, almost 50% of employees were connected through a digital platform which provides well-being challenges linked to moving around, healthy food and general health management ideas shared throughout the year. A group of colleagues selected in September 2020 to prepare and participate in an Olympic triathlon in Lisbon were unable to participate in person due to continuing Covid-19 restrictions. However, in the meantime, most were able to participate in a local alternative triathlon in Belgium or the UK while keeping their dreams alive in the hope of participating in 2022 alongside a newly selected group of 50 employees from all Ageas entities.
The global target for the Ageas Challenge, set in 2021, was to achieve a goal of 3 million kilometres of active movement. By the end of 2021, more than 2.8 million kilometres had been recorded on the counter thanks to daily steps, walks, runs, bike rides, swims and many other activities from all participants! Challenges throughout 2021, included the Ageas Tour Challenge during which participants virtually walk from one Ageas region to another; and the Tour de France Challenge, during which virtual teams rode the same distance as professional cyclists in the same period. New in 2021 was the concept of the 'grey jersey' for participants over 50 years and also new was a challenge based on the concept of the Olympic Games, with teams completing five sporting challenges and winning five Olympic rings to receive their own Ageas medal. Locally each operating company created specific solutions for their employees to support the ongoing mental, physical, and financial well-being including initiatives like 'Ageas O'Clock' in Portugal.

'Ageas O'Clock' helps employees manage the challenge of home working

In 2021 many of the Portuguese employees were forced to work mostly from home for Covid-19 safety reasons. Whilst there are many positives to remote working, it brought with it a new set of challenges. More meetings, more emails than ever and increased pressure on employees to become more organised and manage their day.

It was unfamiliar territory for all, and there was an urgent need to ensure that the time between professional and personal lives was respected for the sanity of every single employee. At the same time, keeping a focus on delivering for the customer was crucial.

Acknowledging this challenge, Ageas Portugal Group introduced the concept of 'Ageas O'Clock' creating special guidelines around managing time when working from home. A simple set of guidelines around four themes was established:

- Ways to better manage and prioritise emails.
- Rules to increase the efficiency of meetings and to respect others' time.
- Guidelines on best practices when interacting remotely with colleagues
- And finally, recommendations dedicated to managers, reminding them to clearly define with each team member how they will collaborate, and then applying trust.

By the end of 2021 78% of the Portuguese employees and managers surveyed on the application of 'Ageas O'Clock'-guidelines confirmed that the rules had been embraced and were leading to real improvements in the day-to-day working environment. There is still a learning curve to go through but at the same time the initiative is very helpful in the context of a hybrid work model, the new reality. It will be a steep slope but with many employees motivated and encouraging peers to join the proverbial 'Ageas O'Clock time zone'.

Employee Assistance Programme

The Employee Assistance Program (EAP) at AG and Ageas Corporate Centre, is a service increasingly used by the employees and their families. The EAP offers the employee, their partner and dependent children the opportunity to make use of a range of professional services free of charge from legal advice and psychological support, to budget advice and leadership support. Services are provided by an external party, whose counsellors are bound to professional secrecy and strictly confidential treatment of all data.
Employees can access this service easily by calling a free phone number, sending an e-mail, or going to the online platform. In addition, people can consult an online library, containing articles with tips & tricks on well-being related topics, and use 'Happy Care', an online self-help tool that helps increase mental resilience through exercises, testimonials, advice, and information.

Ageas directly contributed to SDG 3 by stimulating an active and healthy lifestyle approach for its employees.

Talent Management, Talent Retention and Talent Development of our employees

While locally all operating companies continuously put Talent Management, in the broadest sense, high on their priority list, responding to the particular needs of employees at all levels, Ageas has also increasingly built on its Group-wide Talent Management, by implementing and delivering the ambitions and commitments established at the start of Connect21, and by laying out the foundations for impactful Talent Management in Impact24.

Delivering Connect21

Leadership Behaviour

The major investment in leadership development, starting in 2020 with the roll-out of the Executive Development Journey, continued in 2021. The Executive Development Journey 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. After a successful pilot and an accelerated track for the Management Committee, the programme was further rolled out to 111 senior managers across the Group. A more concise version of the programme is now being organised by local entities for the next level of management.

The Ageas Academy developed a customised 360° leadership scan based on the four values: Care, Share, Deliver, Dare. This allowed for an analysis and identification of development opportunities across multiple programmes, both within the local entities and at Group level. 120 senior managers used the scan in support of their Executive Development Journey. In addition, around 130 leaderships scans were used in local development initiatives and conversations. The consolidated result of the scan was integrated into local change programmes impacting the broader range of leadership across the entities and the Group. Programmes related to feedback culture, continuous development, and trust-based conversations, have contributed to improved retention within the entities.

Dare Series & Instructor led programmes

The Academy continued the delivery of virtual programmes to support development in leadership behaviour, adaptiveness, resilience, and technology. In doing so the Academy welcomed in 2021 364 participants for instructor led programmes, 2,202 participants for e-learning programmes and online development platforms and 1,025 participants for monthly keynotes from external experts called the DARE series. The Dare series covered topics such as (i) Talent is the new currency, (ii) Blockchain, (iii) Sustainability (v) Customer centricity, (vi) The renaissance of the polymath, ... with all sessions recorded, shared and available for on-demand view.

Preparing Impact24

The Impact24 skills plan will focus on the leadership and behavioral skills needed to become a ‘Great place to Grow’, on the commercial and digital expertise to Grow the Core, expertise in ecosystems and platforms to develop new Growth opportunities and on proficiency around sustainability. To support sustainability, a new e-learning programme on Sustainability was launched for the Top 800 in September 2021.

In the area of Talent Management, succession plans for senior management indicate a strong bench strength, limiting the operational risks in business continuity. In addition, through the identification of key players and high potentials, dedicated career conversations and development tracks have been established to support career aspirations and ensure talent retention. As well as the ongoing development, career, and succession actions, several new actions were put in place to ensure the achievement of the Group’s ambitions, specifically:

- Each entity will establish a gender balanced pool of young talents with the potential to grow into local management committee roles and in time, Group Management Committee roles.
- A plan will be established to coach and develop this talent pool.
- Functional talent and succession pools will be established (e.g., Risk, Finance…) to identify talents deeper into the organisation, with a view to raising their visibility with top management. This approach will enlarge the functional pool for vacant positions in the context of M&A files or succession.
- Succession pipelines will be further challenged and completed to ensure they are gender balanced.
- Final shortlists for senior management roles must include a male and female candidate
- Career conversations with Management Committee members are designed to increase visibility of talents outside the hierarchical line.
- The scope of the exercise will be enlarged to the Top 800 in this way creating a long-term perspective on potential evolutions.

Local solutions for local markets

At AG Insurance (Belgium), it was noticed that employees in the age group 45+, participated in only half as many training programmes as other employees. Yet this same group of employees have valuable experience, and their continued development is important, regardless of their seniority.

A goal was agreed to strengthen the exchange between these employees, to strengthen their network and collaboration and to stimulate their curiosity and eagerness to learn. To reach this goal and to create awareness among this target group, a common platform was established - and the ‘Experienced Talent Community’ was born!

This group is supported through several initiatives designed to inspire, to connect, to learn and share knowledge and experiences. Next to a dedicated group on Connect AG (Workplace), four inspirational sessions were organised, with as a common thread the four values: You set the direction (Care), It all starts with curiosity (Share), The future is your own (Deliver) and Dare to jump (Dare).

During each session, both internal and external speakers shared their experience and expertise. Participants had the opportunity to connect and exchange during each session, with interactions organised through plenary and smaller break-out sessions. The first reactions were positive, and the initiative will be continued in 2022.

These initiatives align with SDG 4.

Employee engagement

To keep staff engaged and enabled, feedback through regular engagement surveys locally and globally remains key to maintaining a strong strategic focus. This helps to drive growth, culture and leadership.

Despite the difficulties posed by the ongoing pandemic, the performance levels in the 2021 survey were maintained or marginally improved. At least 50% of Ageas's operating companies achieved an employee NPS score in the top quartile.

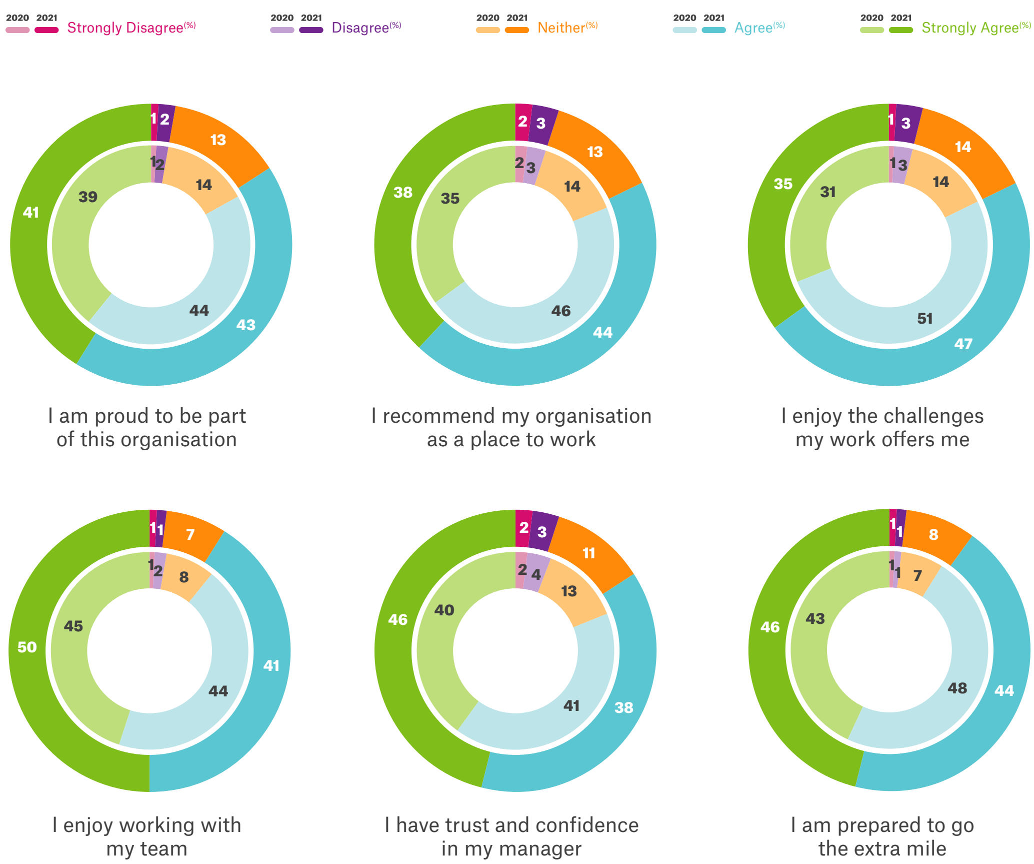
Overall participation rates remained either the same or improved for most of the companies with a 100% participation rate for the Ageas Regional Office in Asia and the Philippines.

The following statements achieved strong support:

- "I am prepared to go the extra mile" and "I enjoy working with my team" received most support with 91% of employees agreeing or strongly agreeing and
- "I have trust and confidence in my manager" saw the greatest improvement in scores year on year with a rate of 84% in 2021.

Understandably all operating companies have had to prioritise the unprecedented challenges forced on the world by Covid-19. The focus of attention has been on communication, well-being and support for remote working arrangements. In addition, some businesses have also taken specific initiatives to work on the employee experience and more specifically progress around Diversity & Inclusion.

Efforts in 2021 were mostly on health and well-being, laying the foundations for Impact24 and the continued digitisation of processes, preparation for Sm@rter Together, training for managers on how to lead teams virtually, revitalising how, when and where meetings are conducted and working with engagement tools like Peakon which enable real-time, agile responsiveness to employee needs.
Within the context of Impact24 and the Human Resources priorities, anchoring people, attracting and retaining talent is increasing in importance. Building an understanding of their experience more frequently and at all points in the employee life cycle will be key.



Diversity and Inclusion

Ageas has a clear commitment to diversity and inclusion, expressed through its Diversity and Inclusion Policy, as well as through the ambitious targets which form part of the Impact24 strategy's non-financial goals. Ageas works across the entire group to ensure that all employees - no matter who they are - feel welcome, respected and have the opportunity to realise their potential in the organisation. The Group Diversity and Inclusion plan launched back in early 2020 aims to develop an inclusive workplace taking into account gender, age, disability, ethnicity, nationality, sexual orientation, religion, …

A Global Diversity Forum has been established made up of representatives from Ageas's business around the world and representatives from some of the joint venture. This forum spearheads efforts to deliver on the Impact24 diversity targets and builds a strategy that supports other aspects of diversity and inclusion across the business. The Group's international workforce – with 64 nationalities worldwide and over 21 nationalities at Head Office alone – reflects the international and inclusive nature of Ageas's business, embracing talent in all its forms.

While addressing gender balance challenges is a primary diversity and inclusion goal, the Global Inclusion Forum agreed on three priority areas for 2021: 'Gender', 'Disability' and '5 Generations'. The following actions were taken:

- A communication and awareness campaign has been developed and specific themes were addressed through Workplace communications during the year. For example, posts were published on racial discrimination, on festive events such as Eid Mubarak, Ramadan Kareem and Chinese New Year. Career spotlights with top female executives were published to mark International Women's Day.
- In collaboration with Women in Insurance (UK) and European Women on Board, development opportunities were offered to talented female managers and high potentials.
- All entities evolved post-Covid-19 to a new hybrid working organisation with a mix of working from home and working at the office. This more flexible working organisation provides a better balance of professional and private life.
- Gender Equality reports have been established for all entities, including the Gender Pay Gap, ranging from the lower end at 5% to higher end at 25%. This measures the difference between the average male salary and the average female salary. The gap is mostly driven by the under-representation of women at senior levels and in technical roles, and the over-representation at junior and administrative levels. A more detailed analysis to monitor equal pay for equal functions in certain entities confirms that gender is not a differentiating factor for pay in the same function.

For the future three specific targets focused on increasing female representation at senior levels have been established with the aim to reach the targets by the end of 2024 at the latest:

- Glass Ceiling Index (GCI) - this is an external KPI used by Women in Finance to measure the relative presence of women in senior management positions compared to the number of women in the company. An optimal score is 100%.
- Gender balanced succession plans for Top 800.
- Gender Diversity Index (GDI) - this is an external KPI used by European Women on Board to measure the relative presence of women at board and executive management level in a company. The GDI varies between 0 and 2 with an optimal score of 1.

Ageas is a member of the Belgian Women in Finance initiative and European Women on Board, as well as other diversity-focused organisations in different local markets.

Progress made towards these targets and the gender pay gap is reported in the table below.

Women in Insurance, a definite win

In creating a Great place to Grow, Ageas wants to promote an open, inclusive, and inspiring culture for all. In Impact24, Ageas confirmed its commitment to further increase the diversity of its senior management. As a way to realise this ambition, Ageas UK developed the Women in Insurance (WIN) programme which is specifically focused on the career development and support of female colleagues.

WIN is an in-house initiative designed to provide female colleagues with the skills, capabilities, and confidence they need to put themselves forward for future leadership opportunities. This ensures that Ageas continues developing women for promotion. It is an important step in identifying high potential women across the talent pools. 157 women have thus far completed the WIN programme over the past 5 years, with a quarter being promoted. In 2021 the programme continued in remote fashion but with participants describing the programme as enlightening, insightful and thought provoking.

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

Measuring the effectiveness of the pledges to employees

This table provides all relevant non-financial information as referred to above with comparable data at 31 December 2021 and 2020.

Workforce	2021	2020
Headcount Ageas incl. non-consolidated entities	40,012	38,612
Headcount consolidated entities	10,723	11,179
Average age (# years)	42.8	42.9
Average seniority (# years)	14.0	14.2
Turnover (%)	10.6	9.2
Vacancies (%)	3.6	2.0

Diversity & Inclusion		
Male/female (total split in %)	46% - 54%	46% - 54%
Male/female senior management (top 800, split in %)	65% - 35%	66% - 34%
Male/female top management (top 300, split in %)	73% - 27%	74% - 26 %
Male/female executive management (split in %)	80% - 20%	89% - 11%
Male/female board of directors (split in %)	64% - 36%	67% - 33 %
Nationalities at head office (number)	21	22
Nationalities at consolidated entities (number)	64	60
Glass Ceiling Index (GCI)	50%	48%
Gender Diversity Index (GDI)	0.68	0.48
Gender pay gap (range in %)	5% - 25 %	12% - 27%

Employee engagement		
eNPS score	62.4	51.2
Employee engagement score	72.5	69.5
Employee engagement survey (participation rate in %)	87%	87%
Denison Global Organisation Culture Survey (participation rate in %)	n/a	72%

Employee development - Ageas Academy		
Number of participants:		
Instructor-led programmes	364	243
Dare Series	1,025	472
Online	2,022	1,476
Number of programmes (instructor-led & dare series and online)	35	32
Average quality & content score (score from 1-10)	8.5	8.1

Employee development - Global		
Training hours per headcount	28	27

Employee well-being		
Total Absenteeism due to illness (%)	6.1	5.6
Short term absenteeism due to illness (%)	3.3	2.4
Long term absenteeism due to illness (%)	2.8	3.2
Ageas Challenge (number of registrations)	5,162	4,610

Remuneration		
Total employment costs (in EUR mio)	852	834
Ratio of median to CEO salary	20.6	24.2

n/a : not applicable

4.4
Our investors

Material topics covered related to investors

- Financial resilience
- Responsible governance

Ageas is all about creating long term value: financial and non-financials go hand in hand, responding to investors' expectations to be a responsible, ethical company delivering upon the promises it makes.

The pledges towards our investors are the following:

- We aim to achieve long term sustainable growth, and to offer competitive returns and a stable growing dividend;
- We work to deliver on the financial targets;
- We seek and foster strong relationships with investors who support us for the long term, based on confidence, trust and transparency.

Ageas made clear commitments to a set of financial targets, updated in Impact24. These targets on the one hand reflect a desire for continuity and consistency, but at the same time, also respond to the evolving expectations of investors with respect to the company. Financial targets must support the long-term strategy of Ageas taking into account the technological, societal and other challenges it is confronted with. The financial targets aim to strike a balance between operational targets, capital management targets but also targets with respect to solvency. The development of a set of non-financial targets should also meet the growing expectations of the investors with respect to the broader role of a company towards its stakeholders.

In 2021, a survey amongst our investors revealed that Ageas continues to be perceived as a responsible, ethical company having a major role in society; compliance and transparency are considered as strengths.

8 DECENT WORK AND ECONOMIC GROWTH

Measuring the effectiveness of our pledges to investors

The performance against the financial targets in the closing year of Connect21 is described in the section on A.2 Key financials and developments. Ageas's governance approach is detailed in section A.5 Corporate Governance Statement.

Ageas performs a bi-annual shareholder identification with the help of a certified external party. As at 30 June 2021 analysts identified 89% of the shareholders base of which institutional shareholders represent 54% of all outstanding Ageas's shares. The table below reports on the proportion of longstanding relationship with our main institutional shareholders.

Look back at how Ageas has delivered a consistently strong performance over the past 5 years against a range of key performance indicators.

Investor Loyalty	2021	2020
% of outstanding shares represented by top 100 investors	50%	45%
Of which own for at least 10 years	54%	53%
% of shares owned for min 10 years	33%	28%

4.5
Our society

Material topic covered in relation to society

Socially responsible investments focusing on societal challenges

Ageas creates long term and lasting value. As we end the strategic cycle of Connect21, we are even more conscious of our strengths and where we can make impact as a responsible actor in society.

Within Connect21 the stakeholder model has been extended to include "society" as a fifth stakeholder category. As with other stakeholder groups, the priorities have been captured in a set of pledges:

- Our role as an insurer means actively contributing towards a better society beyond insurance: preparing for an ageing population, protecting against adverse events and building a healthier society.
- Our business provides us with a platform to make a difference, balancing societal value with economic value in our core activities.

Ageas aims to contribute to a better society in three ways:

- A responsible and sustainable investment strategy;
- A stronger focus on environment friendly operations and sustainable operational behaviour;
- Philanthropic initiatives.

In 2021, Ageas continued to invest its assets in a sustainable and responsible way, contributing to solutions for sustainable cities and the climate challenge, and strengthening local economies.

Ageas was able to further reduce its carbon footprint within its operations thanks to several initiatives. Around the world, several partnerships and concrete actions continue to show Ageas's commitment to support local communities and to engage in philanthropic activities.

A responsible and sustainable investment strategy

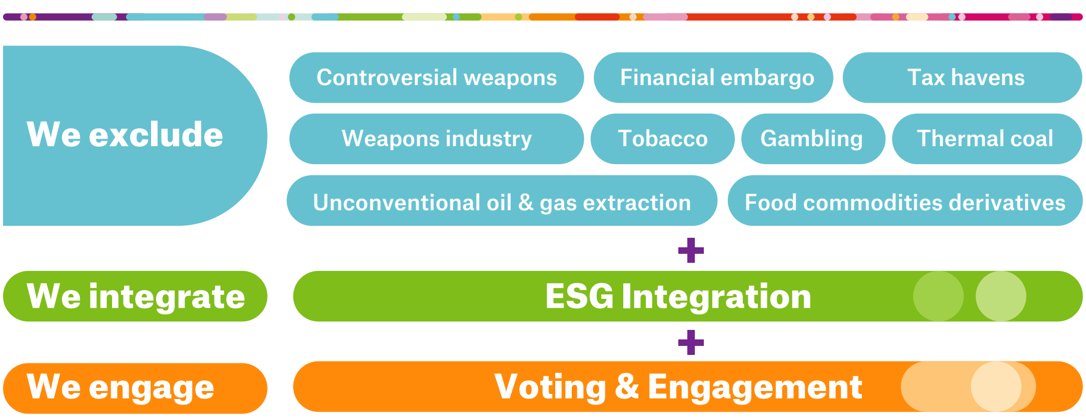
Ageas has a long track record in sustainability. The first sustainable investment solution was launched back in 2007 via AG, the Group's Belgian subsidiary, representing some 75% of Ageas's investment portfolio. This strategy continuously evolved leading to the signature of UN PRI by both Ageas Group and by AG at the end of 2018.

By underwriting the UN PRI (UN Principles of Responsible Investment) the companies formally commit to incorporate environmental, social and governance aspects as a fundamental cornerstone of their investment decision framework. Since then, the framework has been gradually rolled out within the organisation and both Ageas and AG Insurance published their first UN PRI transparency report in 2020. In 2021, the second UN PRI report has been submitted by both entities. Reports are expected to be released in June 2022.

Strengthening the approach

Ageas is continuously finetuning its responsible investment approach in line with the stronger ambition set by the group in the context of sustainability. In 2021, it strengthened its exclusion policies by formally excluding new activities and sectors such as gambling, Arctic tic drilling, shale oil and gas, oil sands and the trading of food commodity derivatives.

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 among others controversial weapons (antipersonnel landmines, cluster munitions/bombs, nuclear, chemical and biological weapons,…), tax haven jurisdictions[2] and countries subject to international sanctions and embargoes and producers of weapons. These exclusion rules apply to all investments, except for historical bond positions which are allowed to mature.

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. If most of the assets are outsourced to third party asset managers, signatories of the UN PRI are privileged. For infrastructure investments, the Equator principles[3] 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. As such AG intends to improve the ESG profile of the companies in which it invests aiming to reach its long-term investment objectives.

Following the updates in our approach all investments have been assessed on their sustainability value, the scope of other social and sustainable investments was enlarged and two new categories were added to the list of sustainable investments (see table at the end of this section):
- Green buildings and
- Taxonomy aligned activities.

Green buildings mainly refer to buildings owned by AG Real Estate with a certification such as BREEAM, WELL, LEED (at least rated Good, Silver or equivalent). The other new category “taxonomy aligned activities” relates to the new EU taxonomy regulation: all companies within the scope of the regulation are required to disclose their taxonomy eligible and taxonomy aligned activities. Based on the currently available estimated information provided by Ageas’s external data provider on taxonomy aligned activities, this amount is added in a separate line to the sustainable investments. Currently this is a best estimate for a limited number of companies in which Ageas has invested, not an assessment on the full portfolio as the regulation only requires companies to disclose their aligned activities over 2022 (so externally reported early 2023). More accurate and reliable data will become available over time, and it is expected that this amount will grow with increasing information, knowledge and companies transitioning to aligned activities. Ageas’s disclosure on eligible investments can be found in section 4.6 EU taxonomy.

Within Impact24 Ageas expressed even more explicitly its ambition to play an active role in the transition towards a more sustainable world including contributing to solutions to climate change. Through its investments, Ageas wants to support the net zero greenhouse gas emission target set by 2050 in the European Green deal. In this context Ageas integrates the principles set out in the TCFD recommendation as part of its Responsible Investment Framework. This framework includes specific climate change related principles that consider the transition to a low carbon economy. Over the last year in particular, further progress has been made to significantly increase the investments in renewable energy infrastructure to support the transition to a low carbon economy. The carbon footprint of the equity and corporate bonds portfolios is calculated in Belgium and UK. Some climate related metrics defined in the Sustainable Finance Disclosure Regulation (SFRD) will be further integrated into the processes going forward. In Belgium, the first steps have been taken to measure the carbon footprint of the growing infrastructure portfolio which counts 58 projects at the end of 2021 and will be further elaborated upon in 2022. The monitoring and calculation of carbon intensity, carbon footprint and other metrics will be validated and rolled out to the other consolidated entities.

Specifically with respect to the environmental aspects the following principles have been embedded in the decision making:
- Exclusion of the most sensitive industries:
  - 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 allowed and will be fully divested by 2030.
  - Since 2021, 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.
- Increase in investments in taxonomy eligible economic activities such as renewable energy infrastructure and sustainable mobility infrastructure and in green bonds.
- Support of companies in transition. In the ESG integration approach particular attention is paid to environmental factors such as renewable energy use, carbon footprint, reduction programme of greenhouse gas, environmental policy and qualitative information on the climate strategy of the company, including commitment to SBTi (Science Based Target initiative). This information is also fully embedded in the investment processes.

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

Specifically, with respect to environmental objectives, it aims to influence companies’ behaviour aiming to favour good business practices in terms of ESG and to tackle environmental issues such as climate change.

To this end, AG joined in 2020 the Climate Action 100+. This is an initiative uniting investors, urging the world’s largest GHG emitters to take necessary action on climate change and help achieve the Paris Agreement’s goals. In 2021, Ageas and AG became signatories of the CDP (Carbon Disclosure Project), 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.

Ageas also intends to use its voting rights concerning these matters to maximise its impact on the transition to a low carbon economy. More precisely, AG will always exercise its shareholder rights when it holds at least 1% of a company’s equity capital. For holdings representing less than 1%, it will consider voting on a case-by-case basis.

Following its engagement policy AG has executed 6 direct engagements and nearly 50 through collective engagement via Climate Action 100+ in 2021. The engagement policy will be gradually rolled out within all other consolidated entities beyond AG in the course of 2022.

2 Tax havens have the meaning as determined by the EU

3 https://equator-principles.com/about-the-equator-principles/

Investing in innovative and sustainable assets

Over the last 2 years, the Covid-19 pandemic had a profound and negative impact on the lives and the economy of so many. In Belgium, AG was one of the first investors in the different Belgian recovery funds such as the Federal Belgian Recovery Fund, the Flemish Welvaartfonds, the Walloon Amerigo fund, and the Brussels Boosting Brussels fund. In broad terms, each fund has the ambition to help companies navigate through the crisis and contribute to the transition towards a more sustainable economy. The total commitment of AG amounts to EUR 60 million.

Ageas also provides direct long-term funding in the real economy including infrastructure projects that stimulate the real climate transition, especially via its activities in Belgium but also in France, UK and Portugal.

In practice this works via two dimensions, specifically with respect to environmental and climate changes objectives which include:

- Green investments:
  - Infrastructure projects in collaboration with AG Real Estate in renewable energy a.o. onshore and offshore wind farms and solar panels, green transportation, certified buildings;
  - Green bonds and taxonomy eligible activities;
- Sustainable products (more information in section 4.2):
  - Savings and investment products with recognised external certification such as the Towards Sustainability label;
  - Thematic investment products with a focus on climate change.

With respect to the social aspects this translates into practice via social loans or investments in infrastructure for education, rest homes and hospitals.

In 2021, Ageas has invested more than EUR 1 billion in sustainable investments. This includes more than EUR 600 million investments in infrastructure. New investments in renewable energy in 2021 include solar photovoltaic parks in Spain, a pan European portfolio of onshore wind farms (Belgium, Germany, Spain, Portugal and France), onshore wind in Portugal and a concentrated solar power plant in Spain. Digital infrastructure such as fibre optic is also a growing sector where Ageas has been very active in 2021.

Additionally, investments of nearly EUR 230 million were made in social housing, EUR 40 million in health (hospitals), EUR 70 million in taxonomy aligned activities and EUR 80 million in green and sustainable bonds.

An amplification of the sustainable principles in AG Real Estate

AG Real Estate, the most diversified private real estate investor in Belgium and fully owned by AG, actively manages its investments in a sustainable way. It also holds a stake of 51% in Interparking, one of the leading European public parking operators. Both companies undertake significant efforts to upgrade their assets and activities to the highest environmental standards. AG Real Estate's Sustainable Development Policy provides more specific guidelines on how it manages its portfolio, and these principles are an integral part of its quality standards.

Conscious of its environmental and social impact of its real estate portfolio, the Management Committee of AG Real Estate has decided in the course of 2020 to create a "CSR Committee" (CSR = Corporate Social Responsibility). This committee is responsible for implementing AG Real Estate's sustainability strategy and supervising the actions of the respective teams. The mission of the CSR Committee will be to improve AG Real Estate's progress towards full adherence to the UN SDGs, in line with the strategy of Ageas.

AG Real Estate's sustainability strategy aims to be fully embedded in the entire organisation and relies on five pillars, governance, stakeholder of the city, social commitment and sponsorship, environment & client and team. In each of these pillars initiatives have been taken and further intensified. Also, in 2021 AG Real Estate has initiated exemplary actions in the real estate market.

Continuously improving environmental footprint of its buildings

At the end of 2021 almost 80% of office buildings is telemonitored across four dimensions: electricity, gas, water and CO2. Having these technological tools in place helps drive consumption down: like for like reductions in electricity, gas and water amount up to 24%, 16% and 42% compared to the 2016 reference year.

The office buildings in the portfolio are subject to BREEAM certification In Use, pre-assessments taking place over the last years. This effort was continued in 2021, with the expectation of most certificates being issued in the first half of 2022, aiming a minimum level of “very good”.

Powering up green energy commitments

AG Real Estate installed the largest photovoltaic roof on a logistics building at its 92,000 m² HAVLOG platform in Le Havre in France, designed to reduce the building's carbon footprint and supply the electricity needs of the inhabitants of the two municipalities in which it is located (18,500 inhabitants).

AG Real Estate is certainly no stranger to this type of initiative having this time last year invested in a solar roof through a joint venture with Heylen Warehouses (Belgium). Covering an extraordinary 12.6 hectares, this installation has the capacity to power up the equivalent of 4,500 households and saves almost 12,000 tonnes of CO2 eq emissions each year.

Stakeholder of the City

New urban needs are addressed in several projects for instance in the Delta site project in Brussels. This new city district, founded by the construction of the brand-new Chirec hospital, with the handover of a retirement home and a hotel by AG RE now offers multigenerational services, notably in the form of residential functions and student accommodation. Or through its investment in Cohabs: this investment responds to the growing need of good living, affordability and to revive available real estate, and it allows AG RE to further diversify its portfolio. The most recent project is the inauguration of a new project in the exceptional Châtelain area in Brussels. This charming town house offers 19 rooms partly intended for single-parent families or adults in transition.

Creating win-win for the environment

One of the new projects of 2021 was the start of the construction of two residential projects in Leuven (Belgium). During the construction phase, ground water had to be pumped up. Instead of discharging to the river, underground pipes brought it to the neighboring Stella Artois brewery so it could be used for the brewery's technical processing operations.

Schools of tomorrow

AG RE has contributed to the construction of 182 projects in Flanders over the past ten years, including 8 passive projects, with a total surface area of 710,000 m² and accommodating no less than 133,000 students. 168 modern and energy-efficient school projects (more than 600,000 m²) are already in use. 2021 marks the year in which the final school started to be constructed. Based on available data, the new constructions result in gas and water savings of 60% and more compared to older buildings. For electricity savings are around 20%, because of the integration of new technologies offsetting part of the savings.

Public parking is more than a spot to park a car

Interparking operates today almost 950 public car parks spread over 9 countries in Europe and serves about 120 million customers per year (pre-covid).

Interparking is convinced that the key to successful green and efficient mobility is above all multimodality. Interparking offers spaces right next to major public transport hubs, for example the metro, tram, bus lines, train stations or to airports. In Belgium, users of public transport can load their transport tickets straight onto their Pcard+. The Pcard+ not only provides access to car parks at an attractive rate, but also provides access to public transport networks in the Brussels region. In 2021, a virtual version of the Pcard+, dematerialized in a mobile application was conceived and developed, and launched in February 2022. It will progressively be enriched with new features in the future. New car parks compatible with this new application are constantly being added to the list.

Users today can combine several modes of transport to travel around our cities, for example car, tram, bus, metro, train and bike sharing. In Berlin, the “E-Park & Rail” online booking method enables you to book a parking space at Berlin Südkreuz when you buy train tickets. In Amsterdam and Harlem, thanks to the “Park&Bike” service, our customers can book a bike at an attractive rate to cycle through the streets of the city.

This initiative contributes to SDG 11 and SDG 13 via the promotion of public transport for short distances, stimulating the change towards sustainable and cleaner cities and promoting the use of lower greenhouse gas emitting public transportation instead of own transport.

In the context of lower greenhouse gas travel, Interparking launched in September 2021 a partnership with Ziegler Logistics, “Cargo-bikes”, a green initiative to contribute to an intelligent and more sustainable urban logistics. This last-mile delivery solution combines three innovative elements to deliver large parcels with low to nearly zero CO2 emissions in the centre of Brussels: an electric truck shuttle connects the main hub to a microhub located in the downtown area, in the Interparking Albertine. From there, the cargo bikes leave for their final destination. This service is not only greener, but also more efficient. The Cargo Bike XXL makes up to 50 stops per day, whereas a conventional distribution truck only makes an average of 25 stops in the same timeframe.

While most of the car parks operated by Interparking have already been offering parking spaces dedicated to bicycles for many years, 2021 has seen the implementation of a partnership contract with the city of Antwerp for the management of 32 car parks, 12 of which dedicated exclusively to two wheels. This provides a total of 756 parking spots for bikes. The company also installed dynamic signage in its bicycle parking facilities in the city of Bruges to indicate in real time above ground the amount of spaces available for cyclists. Moreover, the redevelopment of parking Loi/ Wet (Brussels, Belgium), which was initiated at the end of 2021 and should be completed in 2022, will feature a complete floor dedicated to cyclists and cargo bike owners, offering charging stations for electric bicycles as well as a two-wheel maintenance workshop.

The first green credit line in Belgium contracted in 2018 with payment conditions dependent to the achievement of environmental commitments, was successfully concluded in 2020 on the two said targets. The company signed a new green 5-year Interest Rate Swap in 2021 with BNP Paribas Fortis including the following environmental commitments:

- Keep "CO2 Neutral" certification undertaken by an independent and certified body in all countries which Interparking group operates.
- Increase the number of Electrical Vehicle (EV) spaces by +300 compared to the number of EV parking spaces the previous year.

Interparking lived up to this expectation in the first year of this agreement: the number of EV spaces increased from just over 1.000 to nearly 1.600 in 2021.

Meanwhile, Interparking continued the rollout of the “lungs in the city” initiative, inaugurated in January 2019 at the parking Beffroi in Namur (Belgium). At that time, four ionization systems (neutralizing up to 70% of particles, 40% of fine particles and 20% of ultrafine particles) had been installed. To date, a total of 57 systems have been deployed in the group. An additional order for 75 units was placed at the end of 2021, reflecting Interparking's desire to expand this technology broadly across its network.

Interparking also experiments with advantageous tariff systems for clients driving low emission or electric vehicles in the Netherlands (up to 20% reduction). The success of this action to stimulate consumer behaviour is dependent on the data relating to the ecological class of a car made available by the Dutch government which might no longer be the case moving forward.

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

A stronger focus on environment friendly operations and sustainable operational behaviour

Ageas continued its CO2 emission measurement based on international GHG protocol and including scope 1, scope 2 and part of scope 3 sources of emission. It includes all consolidated entities: the corporate headquarters in Brussels plus the regional office in Hongkong and the subsidiaries AG Real Estate and Interparking. The scope of the measurement has been enlarged in 2021 by adding France and IT equipment and storage into the scope, an increase in the overall emissions by more than 2,800 tons CO2e, mainly IT related.

The calculations for 2019 resulted in an almost stable level of CO2 emission of nearly 30,000 tons CO2e. 2020 delivered a significant reduction largely reflecting exceptional circumstances due to Covid-19, which is confirmed in 2021: less travel, use of the office buildings and commuting resulted in a total emission level of 17,912 tons CO2e, including scope enlargement.

More details on the calculation are available in the summary table at the end of this chapter. The most important contributors to Ageas’s carbon footprint are in scope 1 car fleet (45%) and in scope 3 commuting (22%); due to the exceptional circumstances in 2020 and 2021 business travel dropped significantly and now only represents 2% (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 new category “IT” comes in at a weight of 14%.

To structurally reduce its CO2 emissions, Ageas took a number of initiatives starting in 2020 that will result ultimately in a lower emission and environmental footprint groupwide. The main initiatives are:

- A progressive review of the lease car policies across the Group aimed at promoting hybrid and electric cars for its employees;
- An adapted organisational and working environment named ‘Sm@rter Together” whereby employees are actively encouraged to work more of the regular working hours from home. It should be noted that the CO2e 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 our Asian joint ventures will assist one on two local Board meetings virtually
- Move to green electricity in Portugal;
- Approval 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.

Having set the climate neutral ambition for operations as one of the targets of Impact24, Ageas has set a target to reduce its CO2 emissions for 2022 by 30% compared to 2019, the base year (last full year before Covid-19). As such the focus is first on reducing as much as possible CO2 emissions, moving on to offsetting the remaining emissions. This reduction target is also one of the components of the management bonus for 2022.

Since 2015, Interparking has a CO2 neutral label via e.g., the support of the Gold Standard Wanrou project in Benin aimed at distributing improved cookstoves to households in rural villages in the North of the country while AG also obtained its CO2 neutral label as from 2018.

Setting clear 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. Some subsidiaries have acted even more quickly, not waiting for an updated group procurement policy, with ESG criteria integrated formally into their supplier assessment process e.g. at AG, where a detailed questionnaire is to be completed for all key suppliers; or in Portugal, when selecting the supplier for catering in the new buildings. 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 taxes for the consolidated entities are reported in a transparent way (see details in the table at the end of this section).

Philanthropy initiatives

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.

The Covid-19 pandemic created very specific societal problems, and in this context Ageas continued to roll out several initiatives to help manage the situation focusing on specific local needs. And as such, Ageas brought to life its purpose as a “Supporter of your life”. In total EUR 3.1 million was invested in philanthropic initiatives receiving support from Ageas, of which nearly EUR 0.7 million relates to Covid-19 specific initiatives.

Ageas continued in 2021 to show its engagement towards society more broadly. Here are some of the most striking initiatives.

Ageas and the University of Antwerp have established a Sustainable Insurance chair to research this topic in depth. Doctoral student Kristien Doumen, under the leadership of one of the leading academics in the field of Sustainability, Professor Luc Van Liedekerke, is tasked with conducting research into the big societal issues that offer opportunities for insurers to engage. This research project will among other things explore how sustainability may result in new insurance related products or services which can help our customers to transition towards more sustainable solutions. With increased pressure on companies like Ageas to address the impact of climate challenge, cybercrime and digitisation, social inclusion and diversity, the challenge of an ageing population and more, this initiative was well timed.

Ageas Group Portugal supports the Ethics Forum, an initiative developed by Católica Porto Business School designed to reflect on business ethics. As well as promoting strong business ethics, this is a forum for knowledge sharing across organisations. The Ethics Forum also supports companies to translate and integrate the learnings in the workplace to create a strong ethical culture.

In cooperation with Boğaziçi University, Aksigorta launched the Digital Security Platform, a comprehensive educational and information resource. This unique platform aims to explain digital risks at the societal level and to raise awareness of this important issue with those that interact online.

Ageas Portugal also provides support to start-ups with a social purpose. When Ageas Portugal Group invested in Portugal’s first venture capital fund Mustard Seed MAZE (MSM), it became the largest corporate investor for impact start-ups. MSM invests exclusively in technical start-ups that respond directly to social and environment challenges. Through its investment and collaboration with MSM, Ageas Portugal Group gains access to a range of start-ups, who bring to the table exciting new opportunities in the insurance space, and beyond. This fund distinguishes itself from peers by only investing in innovative solutions that respond to societal challenges, defining impact objectives with the start-ups in its portfolio. In 2021 MSM paid tribute to Head of Strategy, Innovation and Sustainability at Ageas Portugal Group Katrien Buys awarding her the “Maze Runner” award. Each year this special Maze award seeks to recognise the “relentless efforts of an individual in tackling social and environmental challenges”.

In partnering to “grow the core” of Ageas’s business, several SDGs are touched upon: starting with SDG 17 but also touching on SDG 3, SDG 8, SDG 9, SDG 11 and SDG 16.

Ageas UK, living up to the value “care”, has been a partner of the Road Safety Foundation since 2012 campaigning for safer roads that reduce the number of deaths and serious injuries 2021 was the final year of this partnership but over the years, several actions have been undertaken, These include the creation of an interactive map to the 20th annual report of the Road Safety Foundation “Looking back, Moving Forward”, identifying Britain’s significantly improved and persistently high risk roads. It identified an investment package of GBP 1.2 billion which would improve more than 5,000 km of roads and prevent more than 8,000 fatal and serious injuries over the next 20 years. This would boost the UK’s economic recovery and protect the National Health Service by saving almost GBP 4.4 billion over the same period. This initiative aligns with SDG 9 and SDG 11 that try to improve mobility and aim to contribute to more sustainable cities in the UK. It gained momentum in particular during the pandemic (see section 4.2).

In Portugal, Ageas continues to consolidate its presence and branding. Today this extends to a total of 11 local brands, in insurance and beyond insurance. In the latter, Ageas is a partner to many local associations and organisations in the field of Health (see section 4.2) but also education and as a partner in safeguarding the country’s national nature and heritage.

Ageas Portugal Group is strongly investing in Culture and Arts as a strategic pillar in the brand's positioning, combining notoriety goals, with a strong contribution to the development of society. One of the elements of the statement of Ageas Portugal Group is that “Culture is everyone's right”, and as such, must be accessible and inclusive without exception.

Ageas Portugal Group aims to promote and to continuously support young talent among others through the Ageas award distinguishing emerging theatre talents. The company also supports national cultural events such as the Marvão International Music Festival and is the main partner of important and iconic Cultural Portuguese Houses such as Coliseu Porto Ageas, Casa da Musica and Teatro Nacional D. Maria. A special solidarity initiative was undertaken in 2021 to support the professionals working in the cultural sector and their families, given the huge impact the pandemic had on their incomes: "Three for All" (or Três por Todos in Portuguese), joining the Portuguese radio Renascença, in association with the Lisbon City Council broadcast live musical performances and interviews with different figures in the cultural scene over 3 days, while raising donations to the Audiovisual Union, which offers food support to audiovisual professionals.

These initiatives can be linked to the objectives of the SDG 8, SDG 11 and SDG 17 as they contribute to the promotion of local culture which in turn should result in more tourism, whilst helping to preserve the national culture through local partnerships in the cultural sector.

To create a more informed and aware society, Ageas Portugal Group continues to invest in promoting financial literacy with young people and adults through a new series of radio broadcasts explaining insurance products in an easy and transparent way and with a special emphasis on prevention. More information can be found in section 4.2 Our customers and partners.

With Ageas Foundation, Ageas in Portugal gives support to strong social development along three dimensions: entrepreneurship and social innovation, corporate volunteering and social sustainable impact. One of the important projects in 2021 was the "Scola de Impacto", a reskilling programme for socially vulnerable people reaching more than 200 people over the year alone. The Foundation also partnered again with Nova School of Business and Economics in Lisbon in Impact Experience, focusing on two capacity building programmes for 26 social purpose organisations.
Both initiatives fit within the realisation of the goals of SDG 4.

In Asia, initiatives towards society have expanded significantly covering mainly the goals of SDG 1, SDG 3 and SDG 4.

In India, AFLI co-sponsors the build of a Covid-19 multi-specialty hospital and a charity organisation in Central Mumbai. At the latter, it is financially contributing in the purchase of equipment and machines, and providing diagnostic services and treatment to needy patients at extremely reasonable rates on a 'no profit-no loss' basis. On an average per day, around 350 patients visit the centres for consultations with doctors and/or for undergoing medical tests. Educational support comes in the form of assistance to "Innovative Minds School of Excellence" in Talegaon. With almost 600 local children from the tribal belt of Maharashtra attending classes at this school, convert the classrooms to digital classrooms helps in visually elaborating on the course material, overcoming the teacher-student language barrier, and enabling the students to learn faster.

Same focus areas in Thailand: Muang Thai Life Assurance gives helmets to motorcycle taxi drivers in Ratchada and Huai Khwang Districts for the "Road Safety" Campaign and supports the construction of the "Trade & Finance Lab: Wall Street @ UTCC". This lab consists of trading room, multiple learning space and financial product board, for the University of the Thai Chamber of Commerce, allowing students to experience virtual practice and to increase the experience outside the classroom.

Troo organised online interactive workshops for Filipino teachers to share best practices in design thinking and to help teachers to become more effective and creative with a virtual setting. The initiative kicked off in the Metro Manila region and is now being rolled out more broadly in the Philippines. In India, Ageas Federal Life Insurance helped convert classic classrooms into digital classrooms so that education could continue during the Covid-19 pandemic.

Discover more about Ageas's long-term, responsible approach to the way we invest and reduce our environmental impact.

Measuring the effectiveness of our pledges to society

The tables below provide all relevant non-financial information as referred to above with comparable data as at 31 December 2021 and 2020:

Responsible investments (in EUR mio)	2021	2020
Total assets under management	100,129	101,153
- of which Life, Non-Life & Own funds	81,230	84,065
- of which unit linked	18,899	17,088
Internally managed assets - Percentage of new investments subject to ESG analysis	Above 95%	Above 95%
Externally managed assets - Percentage of externally managed assets that are managed by PRI signatory	85%	90%
Percentage of new investments in coal (*), tobacco (*), arms (*), unconventional oil & gas (**), gambling (**)	0%	0%
Sustainable investments (***)	9,911	6,623
Exposure to sustainable investments including sovereign bonds (***)	12%	8%
Exposure to sustainable investments excluding sovereign bonds (***)	23%	15%
Environment	3,069	1,217
- Renewable energy (including solar panels, winds farms)	575	420
- Green mobility (including train, metro, tramways, etc)	426	457
- Green buildings	665	Not included
- Green bonds and other green investments	707	340
- Taxonomy aligned activities (****)	696	Not included
Social and sustainable	6,842	5,406
- Social housing	3,771	3,864
- Other social and sustainable investments (including education, rest homes, hospitals, fiber-optic infrastructure)	3,071	1,542

(*) Taking into account revenue thresholds

(**) New exclusions since 30th September 2021

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

(****) listed companies, based on revenues (based upon info received 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

Sustainable solutions (pension, long term saving and investment insurance products)	12,757	11,194
% versus total solutions	17%	15%
- Products with external sustainable certification (including Towards Sustainability label)	8,654	10,693
- Products without external sustainable certification (including ESG thematic funds)	4,103	501

Philanthropy - Community investment (in EUR mio)	2021	2020
Cash donations	3.1	6.6

Income tax by segment (in EUR mio)	2021	2020
ageas SA/NV	20	19
Belgium	136	143
UK	1	5
CEU	58	66
Total corporate income tax charge	**215**	**233**

Carbon footprint in tCO2e		2021		2020***	
Scope		Net total (t CO2e)	Relative share	Net total (t CO2e)	Relative share
Scope 1	Direct energy – gas & heavy fuels	2,028	11%	1,810	11%
	Refrigerants	181	1%	266	2%
	Owned vehicles	8,108	45%	7,474	45%
	Total scope 1	**10,317**	**57%**	**9,550**	**57%**
Scope 2	Electricity – net**	479	3%	1,180	7%
	Total scope 2	**479**	**3%**	**1,180**	**7%**
Scope 3	Home – work commuting	3,998	22%	5,235	31%
	Business travel	273	2%	559	3%
	Purchased goods and services				
	Paper	205	1%	180	1%
	IT	2,583	14%	not included	
	Waste	57	0%	76	0%
	Total scope 3	**7,116**	**40%**	**6,050**	**36%**
TOTAL tonnes CO2e gross		**17,912**		**16,780**	
Carbon offsetting (AG and Interparking)		*		8,551	
TOTAL tonnes CO2e net		**17,912**		**8,229**	
Tonnes CO2e per FTE		1.8		1.6	

** to be determined based on signing of offsetting agreements*

*** including district heating*

**** restatement of 2020 figures based on data gathering improvements*

Electricity in detail (tCO2e)	2021	2020
Electricity - gross	3,931	5,005
CO2e avoided by green electricity	3,452	3,825
Electricity - net	**479**	**1,180**

4.6
EU Taxonomy

EU's ambition towards financing sustainable growth

The European Commission's action plan on financing sustainable growth is to reorient capital flows towards sustainable investment and ensure market transparency, thus implementing the European Green Deal: an economy that works for people and ensures a just transition that creates employment and leaves nobody behind. To achieve this objective, the Commission called for the creation of an EU classification system for sustainable activities, i.e. a EU taxonomy. This piece of legislation provides companies, investors and policymakers with the definitions and criteria on which economic activities can be considered as environmentally sustainable, and it is expected to help shift investments where they are most needed.

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 (the sustainable use and protection of water and marine resources; the 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 deals with climate change mitigation or climate change adaptation (the 'Climate Delegated Act') and was adopted on 21 April 2021. The delegated act for the four other environmental objectives is expected to be adopted in 2022 with first reporting over 2022 in 2023.

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 the accounting year 2021 and 2022 (reporting in 2022 and 2023), financial undertakings such as Ageas are only required to report on the taxonomy-eligibility of their activities and their investment assets, as from the accounting year 2023 (reporting in 2024) taxonomy alignment reporting is required.

For the time being, 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. It should be noted that Taxonomy eligibility is not an indicator of environmental performance and sustainability of the relevant activity. Instead 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.

Ageas provides insurance activities as well as reinsurance activities. This first taxonomy eligible reporting has been drawn up in accordance with the transparency 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 February 2022.

This disclosure covers the entire Ageas Group and matches the scope of consolidation used for financial information in the consolidated annual report.

Ageas's Non-Life underwriting activities – eligibility reporting

The scope of reporting for Non-Life insurance is limited to eight lines of business of Non-Life activities (Life activities are out of scope), underwriting climate related perils.

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.

Ageas also performs re-insurance activities internally as externally. The taxonomy disclosure includes the consolidated view of the reinsurance activities, meaning the internally reinsurance GWP are included 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.

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

Ageas's investment activities - eligibility reporting

The Taxonomy Regulation is a transparency tool introducing 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 a financial undertaking such as Ageas, with respect to its investment disclosures, this means that the companies and projects in which it invests must provide their taxonomy-data (in accordance with the Taxonomy Disclosures Delegated Act) in order to enable Ageas to perform its taxonomy-reporting. The quality of the Ageas investment report is dependent therefore on the availability of taxonomy data and, of course, the quality and reliability of such data.

Since all companies (financial and non-financial undertakings) only start their taxonomy reporting as from 2022, there is little to no corporate data available as at the date of this report. Ageas is closely monitoring the evolution of the level of integration of these corporate disclosures by its investee companies and it will take time for the necessary data sets to build. Since currently the underlying corporate reporting element is missing, financial undertakings requiring this corporate reporting for their own taxonomy-reporting on investments are facing various obstacles when researching and selecting the data to be included in their taxonomy-reporting.

Ageas acknowledges that the Taxonomy FAQ of the European Commission indicates that Taxonomy-eligibility disclosures by financial undertakings must be based on actual information, and that estimates and proxies may only be reported on a voluntary basis and must not form part of the mandatory disclosures. At the same time, Ageas has to evaluate the best way forward in order to present the data, but acting prudently, so that it gives the most holistic and correct view of its portfolio's taxonomy-eligibility. Consequently, Ageas is of the opinion that the following split reporting is the most appropriate approach for this first Taxonomy reporting:

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 voluntarily in order to give 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 2021.

Mandatory Disclosures

Exposure	Value in EUR mio	% on total AUM
Exposure to Taxonomy eligible economic activities	6,477	6.0%
Exposure to Taxonomy non-eligible economic activities	4,161	3.9%
Exposure to central government bonds, central banks and supranationals	45,175	42.0%
Exposure to derivatives	317	0.3%

The reason for the limited number of investment assets attributable to eligibility or not is three-fold: (i) as explained above, for this first taxonomy-reporting exercise only very limited data available, (ii) a large part of Ageas's investments are central government exposures, and (iii) various investments are directed to assets and projects that are not subject to taxonomy-reporting. It is expected that in the coming years, as more data is obtained, the proportion of eligible assets will gradually increase.

A. Real estate and infrastructure assets

These assets are currently the only assets for which reliable and sufficiently granular data are available in order to perform an in-house taxonomy-eligibility assessment following the detailed descriptions in the delegated acts. These represent about 10% of total assets under management and are investments in infrastructure project finance via loans or funds mainly through AG Insurance and real estate assets that are almost entirely represented by 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.

Due to the current lack of an appropriate calculation methodology for these exposures, the EU treats them in a separate category. Such investments are not easily attributable to a specific economic activity or project, which makes a taxonomy-eligibility and/or -alignment assessment thereof complex. Therefore, these exposures are fully separated. This reporting method of sovereign exposures may evolve and further change over time following an assessment by the EU of the need of including such sovereign exposures in the KPI calculation.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 publishes 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 42% 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		Value in EUR mio	% on total AUM
Turnover	Exposure to Taxonomy eligible economic activities	2,951	2.7%
	Exposure to Taxonomy non-eligible economic activities	15,290	14.2%
CapEx	Exposure to Taxonomy eligible economic activities	2,639	2.5%
	Exposure to Taxonomy non-eligible economic activities	15,602	14.5%
Exposure to issuers with no data		33,243	30.9%

A. Corporate issuers for which estimates are available

As explained above, even for undertakings subject to the NFRD, 2022 will be the first year of reporting on taxonomy. Information from the corporates itself will only become available when these corporate issuers publish their annual reports, with eligibility information becoming available in the course of 2022 and alignment information in the course of 2023. Yet, ESG data-providers are already sharing data based on their estimates, with Ageas also making use of this. Following the EU commission's FAQ guidance this information can be provided on a voluntary basis.

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 69% of Ageas corporate investments, of which 16% is estimated to be eligible and 84% non-eligible.

With respect to Unit-Linked funds a look through assessment has been performed as far as possible (representing up to 66% 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:

- the investee company is subject to NFRD but provides no taxonomy reporting and the ESG-data provider did not gather the taxonomy data yet; or
- the nature of investment being "Cash and cash equivalents"; or
- 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).

As a prudent and defensive long-term investor, Ageas believes that environmental, social and governance considerations (the so-called ESG factors) are key investment performance drivers, both from a return and risk perspective. 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 will exercise its voting rights and will engage with some selected companies about ESG practices. 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.

In June 2021, Ageas launched its Impact24 strategy. Ageas has put sustainability at the heart of its business to drive growth and build a more inclusive and sustainable society. With regards to its investment business, Ageas has the ambition to increase its sustainable investments, to integrate ESG factors in all investment decisions and to support the transition to a carbon neutral economy by 2050 with a net zero emission portfolio by 2050. The implementation of this strategy should result in a higher portion of its investments invested which may qualify as taxonomy-eligible (and later, taxonomy-aligned) activities. However, as a (re)insurance group that acts as a prudent long-term investor, a significant portion of assets shall remain invested in bonds of multiple (local) authorities.

Ageas's view on the way forward

Despite the above-outlined 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, it is appreciated that the EU has made important strides to initiate this large-scale taxonomy project which is a big step towards an environmentally sustainable EU economy. When consulting this first 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.

4.7 Safe, secure and compliant insurance

Material topic covered related to all stakeholders

Responsible governance

Integrity, the Touchstone of Ethics

Integrity is the leading premise underpinning sound business practices, the explicit rejection of any type of discrimination, the fight against corruption and fraud, the obligation to contract only with trusted and reliable third parties, the principles of respect for human rights, and the unreserved commitment of zero-tolerance to unlawfulness and unacceptable practices.

The Policy Framework

The principles of Integrity permeate the whole policy framework of Ageas, monitored on a continuous basis, following a well-structured governance and role definition. All policies are reviewed and formally reapproved by the Board of Directors at least every three years and as often as there is a triggering element for revision, for instance, a significant change of legislation.

This framework of policies 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 Group policies are transposed into local policies with a grace period of one year. This policy framework touches upon all aspects of Ageas's business of which the some of the more significant ones in relation to integrity are addressed hereafter: corruption, conflict of interest, data protection, whistleblowing and human rights.

More info on topics covered by Ageas's policies can be found on the sustainability website.

Fighting against corruption

The principles of Integrity, reflected in Ageas Code of Conduct, the Integrity policy and the Treating Customers Fairly (TCF) policy permeate the whole policy framework of Ageas, all converging and supporting Conduct and Culture, encompassing the prevention and fight against corruption, the safeguarding of ethics, and the prevention of criminal activities.

Several compliance policies provide for a series of processes that jointly form a beam of protective, detective and monitoring requirements to prevent criminal activities. More specifically:

- The Anti-Bribery and Corruption policy 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, in particular the way to handle towards gifts, advantages, invitations and hospitalities;
- The Conflict of Interest Policy focuses on the duty of vigilance of all staff towards potential or effective conflicting interests and their consequences on the effective achievement of the company's objectives, establishes a reporting process of such situations, and provides the rules and restrictions applicable to external mandates and functions, as well as financial participations in businesses or trading companies;
- The Personal Transactions Policy (Trading) defines the rules, obligations and prohibitions Ageas Insiders must comply with when operating personal financial transactions in Ageas and other designated securities, conform with the market abuse regulations;
- The Anti-Money Laundering policy defines the preventive measures to implement as well as the due diligence requirements as regards anti-money laundering and terrorist financing prevention;
- The Sanctions policy defines the standards to apply regarding customer and provider acceptance, investments and mergers & acquisitions, based on the international restrictions, imperative sanctions and black-lists, and restrictive measures recommended by international organisations. It also lists specific attention points leading to enhanced due diligence procedures;
- The Suitability (Fit and Proper) policy establishes the framework and set of rules to apply to ensure permanent conformity with the Suitability obligations.

Policies owned by other departments also include 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.

As owner of key policies of direct importance in the fight against corruption, the Compliance Function plays a determining role in their group-wide deployment. The Compliance Community transversally comprising all Compliance Departments of the Ageas group is par excellence the transmission belt to establish and maintain consistency of principles and approaches in all entities. Monitoring and reporting activities carried out by the Compliance Officers in the group entities and consolidated by the Group Director Compliance up to the Executive Committee and the Board of Directors provide a continuous overview of the actual situation in the whole group. Compliance conducts monitoring and control activities, along a structured, appropriate and proportionate approach in view of detecting potential non-compliances and risks, and to define remedying actions, follow them up and report on the outcomes of these actions to the Executive Committee and Management Committee, up to the Board of Directors.

Preventing conflicts of interest

Fighting against corruption also necessitates a strong preventive framework with a clear emphasis on conflicts of interest, encompassing protective measures, capture, settling, follow-up and reporting of potential and effective conflicts of interest.

Ageas has put in place a far-reaching policy on conflicts of interest as part of the sound and qualitative governance of the company and its business activities. A series of legal and regulatory provisions impose clear obligations in this respect. A conflict of interest is any situation with competing interests, compromising the ethical realization of the legitimate purposes of Ageas and/or its stakeholders, or any appearance of such situation; conflicts of interest may involve and/or lead to corruption.

Ageas has also put in place a conflict of interest register, where identified conflicts of interest are recorded, as well as their handling and outcome. Ageas's positioning towards lobbying was outlined in a guidance note in 2021 and these Guidelines received the Board's approval. 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 expenses on memberships to sector and professional associations equal EUR 5.3 mio for 2021.

Protecting your data carefully

Ageas recognises that (personal) data is a vital asset. 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 many risks including non-compliance with regulatory and legal requirements as well as security risks. That is why Ageas focuses on data management to maintain and improve:

- the ability to make consistent decisions about the value of data;
- adaptability to changes in the external environment;
- technical deployment and performance of the underlying systems;
- day-to-day operations;
- compliance with laws and regulations;
- company reputation.

Ageas is committed to the protection of (personal) data, putting it at the core of its processes. All Ageas information assets must be adequately protected from a wide range of threats such us malware, computer hacking, denial-of-service attacks, computer fraud, phishing, social engineering as well as the loss, theft or disclosure of confidential information (including – sensitive – personal data), fire,… Information security is achieved by implementing a suitable set of non-technical (e.g. policies, processes, procedures, guidelines, governed by organisational structures) and technical (e.g. perimeter control, access control, monitoring, secure coding, …) controls.

In line with the General Data Protection Regulation (GDPR), Ageas reviewed, over the past years, its personal data management framework which 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 have been formalised and all relevant information is communicated to the data subjects, including information on the data transfer outside EEA. As such, Ageas has strengthened transparency and control, protecting the interests of customers, staff, and other key stakeholders regarding data privacy. This framework consists of policies and standards which describe 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 type of data and related risk involving the collaboration and involvement of different functions such as Legal, Information Security, Compliance and Risk Management. The existing framework is reviewed on a regular basis to include any updates in line with global and local regulations.

Ageas also invests in permanent awareness and mandatory training related to personal data management processes. Personal data management is part of Ageas Group's Risk Management framework (for more information see General Notes section 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. 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 27K series / ISF SoGP) and data protection (ISO 27K / ENISA).
- We commit to 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 te cases, breaches were reported to the authorities (compared to 3% in 2020).

Whistleblowing

The whistleblowing framework established by Ageas is designed to capture situations or circumstances that may have adverse consequences, and potentially involve corruption.

Several channels are in place to report incidents or wrongful situation, or to lodge complaints.

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 structure 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.

Towards the future, in view of the effective transposition of the EU Whistleblowing directive, technological solutions are already being considered in order to be timely deployed in full compliance with the directive's requirements. The Compliance Community will dedicate several working sessions to this project.

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 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.

Due Diligence and Controls

Deriving from the policy principles and procedures, a series of controls are in place globally. Controls are described, assigned and documented:

- Customers, stakeholders, suppliers and any other third parties are subject to proportionate and relevant due diligence, in terms of identification, absence of conflict of interest, AML/CTF requirements, Sanctions, FATCA and CRS status;
- Contracts with suppliers, vendors and consultants are subject to a compulsory and formalised sign-off procedure, prior to their signing, executed by the Legal department;
- In accounting, all third parties, suppliers and vendors, are identified and followed-up against a series of identification criteria. Any expense must be evidenced. Expense acceptance and payment follow a two-tier procedure with double signature;
- Remunerations and inducements to and from distributors of products are subject to monitoring;
- In addition, Ageas's Suitability Framework outlines the rules, standards and processes designed to ensure that bodies and individuals entrusted with managerial duties are at all times fit and proper.

In the fields of Investments and Mergers & Acquisitions, policies and procedures integrate these controls as appropriate but also define further advanced and far-reaching due diligence requirements.
Besides these control processes, notification duties apply to all Ageas staff. In practice, all staff members are informed from the start of their employment of their obligation to abide by the policies and to take the necessary initiatives to fulfill their notification duties, along the criteria described in the corresponding policies. In case of issue revealed further to a notification, a decision is made by the appropriate source and communicated to the notifier. This decision is binding. For example, a gift that does not meet the acceptability criteria has to be returned to the sender, or an external mandate that would not be compatible with the function at Ageas has to be declined.

Notifications to be made to the Compliance department concern:

- Gifts, advantages, invitations, hospitalities, whether given or received;
- External mandates or functions;
- Financial participation in a business or a trade;
- Personal transactions in Ageas securities and/or other restricted securities designated by Compliance.

Notifications to be made to the Legal department concern:

- Memberships to trade and professional associations;
- Potential and effective conflicts of interest.

Human Rights

The respect for human rights by Ageas is a key underlying element of its global policy framework. It manifests itself concretely in a series of domains and Ageas's commitment is clearly communicated in the Human & Labour Rights Guiding Principles.

Ageas fully subscribes to the UN Universal Declaration of Human Rights and the International Labour Organisation's Core Conventions and the following commitments apply to all Ageas employees and contractors working for or on behalf of the company: "We conduct our business in a manner that respects the rights of all people, respecting human rights and avoiding complicity in human rights abuses, as stated in the UN Guiding Principles on Business and Human Rights".

Human Rights Risk Assessment

In 2020, Ageas formally subscribed to the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption and in 2021, Ageas has performed its first business-wide human rights risk assessment to support the identification, management and reporting of salient human rights issues.

How Ageas went about it

Ageas created a questionnaire based on the UN Global Compact Self-Assessment Tool and the UN Guiding Principles on Business & Human Rights for completion by all consolidated entities.

The self-assessment tool is a set of questions that seeks to gauge a business' position in respect of specific rights e.g. health & safety, training, working hours, wages, discrimination, child labour, … whereas the UN Guiding Principles on Business & Human Rights focus on the policies and processes a business should have in place to meet their responsibility to respect human rights.

Initial, high level results

Completion of this Human Rights assessment has shown that across the different businesses there is currently a wide range of policies and procedures that capture not only Ageas's commitment to meet its responsibility to respect human rights but also how to deliver on that commitment. They include processes and controls to support the understanding of Ageas's impacts on human rights, minimise the potential for any adverse impact and, where possible, make as positive an impact as possible.

The Human Rights assessment has shown that some entities have more mature processes and controls than others and there is opportunity to share best practice and introduce, where appropriate, further commonalities of approach.

Given the importance Ageas places on this topic, a working group has been assigned to follow up on the outcome of this assessment and to create a group wide action plan to further strengthen and continue to raise awareness on the respect and implementation of Ageas's approach to Human Rights both internally and externally.

Salient Human Rights Issue

Identifying salient human rights issues is about assessing which rights are most at risk through the company's activities and business relationships, and therefore where to focus attention and resources.

The table below highlights those rights that Ageas believes its business activities have the most potential to impact, directly or indirectly.

Salient Human Rights Issues*	Direct Influence		Indirect Influence		
	Employees	Insurance	3rd Parties / Procurement	Investments	Mergers & Acquisitions
Workplace discrimination & Harassment	√		√		
Labour Rights			√		
Financial Distress		√			
Privacy		√			
Human Rights Issues Generally				√	√

* For consolidated entities

As an employer, Ageas endeavours to create an environment with diverse cultures and backgrounds, and to encourage everyone to embrace diversity. For more information see section A.4.3 Our employees.
Nevertheless, Ageas is mindful that workplace discrimination and harassment can occur and have put in place clear guidance on its expectations for its people in e.g. Code of Conduct and Diversity and Inclusion policy, mechanisms for gauging staff sentiment, like employee engagement surveys, and a Compliance Incident Reporting policy (a.k.a. the Internal Alert System) mentioned earlier in this chapter. In addition, Ageas's Suitability Framework outlines the rules, standards and processes designed to ensure that bodies and individuals entrusted with managerial duties are at all times fit and proper.

As an insurance provider, Ageas aims to ensure that the insurance products and services it offers meet the demands and needs of its customers. In the event Ageas does not understand its customers' circumstances and needs, inappropriate products and services have the potential to adversely impact customer well-being, including standard of living, and result in financial distress. The section A.4.2 Our customers and partners demonstrates how products are designed with customer needs at their centre. The TCF policy serves as a set of minimum standards to ensure fair outcomes for customers a.o. 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, submit a claim or make a complaint.

Ageas has implemented a Product Approval policy and process that stipulates that new products and material changes to existing products must undergo a rigorous approval process, which includes ESG, and that post-launch, product performance is subject to regular monitoring. 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.

Above in this section more information on data security / privacy is provided.

As a procurer of goods and services, Ageas has relationships with many businesses. There are specific references to Human Rights in both Ageas's Procurement policy and Outsourcing policy, and third party relationships are expected to fully comply with applicable laws and regulations and to adhere to internationally recognised Human Rights and broader Environmental, Social and corporate Governance standards (ESG standards). Extra attention was given to this topic in 2021 as described in the section A.4.5 Our society. 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 contracts that require third parties to alert Ageas to any breach of laws, regulations and internationally accepted standards instantly. Audit rights exist to ensure Ageas can undertake independent assurance activities.

Insurers are significant institutional investors and Ageas is no exception. Integrating consideration of human rights related risks into negative and positive screening processes is one of the elements considered in the Responsible Investment Framework. More information can be found in the section A.4.5 Our Society.

The key role of the Compliance function

The Compliance function is a major player in the promotion and safeguarding of Integrity within the organisation. Positioned as an independent control function, next to the Risk Management and Actuarial Functions, on the second line of defense of the organisation, Compliance aims at making sure that at any time and place, Ageas conducts business in such a way that if and when questioned somewhere in the future about its business practice, it can stand up and say that, if it were to start over, it would do it in the same way again taking into account the then prevalent situation.

The compliance function must prevent the company from bearing the consequences - in particular loss of reputation or credibility, which may cause a serious financial disadvantage – of non-compliance with legal and regulatory, or deontological provisions.

The compliance function is an independent function within Ageas, which aims at providing reasonable assurance (in an ex-post perspective) that the company, its employees and its stakeholders comply with the laws, regulations, internal rules and ethical standards.

A determining factor: the Compliance Culture

In 2021, several initiatives were conducted to measure the compliance culture in the group, to determine weaker areas and to define actions as relevant. It more precisely encompassed a compliance survey addressed to all staff for the purpose of capturing their perception of compliance, a list of compliance culture KPIs defined by a dedicated compliance work group, the outcome of several converging streams of activities on topics such as AI Ethics, ESG-Sustainability, training and awareness. The outcome of this wide-reaching monitoring of the level of compliance culture at Ageas shows that the fundamentals are in place and some areas for improvement identified and translated into an action plan for the coming year(s), which will be integrated in the Compliance Year Plans as relevant.

Training and awareness

As part of its Year Plan, the Compliance function sets up a wide and continuous training programme for employees and management.

All Compliance training sessions are mandatory and participation in these sessions 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 subsidiaries, 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.

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.

In each entity, there is a welcome programme for new employees, who must attend an inception meeting shortly upon arrival, at which the compliance obligations are presented and explained, with an explicit focus on employees' obligations as regards governance and policies, how to deal with personal transactions, gifts and advantages, external mandates or functions, and complemented with a series of topics such as the whistleblowing framework, the suitability framework, general rules on competition, confidentiality, asset and data protection. On a regular basis, awareness initiatives are launched with a view to maintaining and updating employees' knowledge over time on compliance subjects and obligations. They are organised as compulsory on-line quizzes aimed at all staff members.

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.

In 2021, a group-wide training initiative has been deployed. A programme of 10 interactive modules has been organised targeted to all staff in the consolidated entities and in the corporate centre. The modules focused on Conduct, and more precisely on anti-money laundering, countering terrorist financing, gifts and presents, and externals mandates. The target participation was set at 100% as standard, and the minimum success threshold at 80% of the final tests of each modules.

Measuring the effectiveness of our approach

Ageas is continuously reflecting on how to promote proper behaviour and how to measure initiatives undertaken. Some new indicators to track progress were added to the dashboard in 2021.

Within the Compliance department:

- A quarterly follow-up of notifications is included in the Compliance Year Plan. A qualitative analysis is performed;
- A yearly compliance questionnaire is sent to all staff at year-end to (re)confirm the notifications executed in the elapsed year and the information is reconciled with the quarterly follow-up. On average, in 2021 only 5.5% of answers (compared to 7% in 2020) require further analysis to prevent or/and settle a possible issue.

All monitoring and control activities carried out by Compliance are reported to the Executive Committee and the Board of Directors, via the Risk and Capital Committee. This reporting also mentions the number of cases of internal fraud on a group-wide basis.

At the Legal department:

- On an annual basis, a questionnaire is sent to all staff to collect or confirm information on memberships and on the occurrence or involvement in potential or effective conflicts of interest, and the settlement modalities.

Participation rates to training sessions	2021	2020
Inception meetings	100%	100%
Awareness initiatives	90%	90%
Compliance Survey on the perception of the compliance culture by staff	66%	
Group-wide interactive modules on Conduct (Anti-money laundering, countering terrorist financing, conflicts of interest, external mandates)	95%	
Success rate to group-wide interactive modules on Conduct	92%	
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)	90%	100%

Breaches		
Number of internal fraud cases	1	2*

*figure represents only last 6 months of 2020

Lobbying - memberships (in EUR)	2021	2020*
Lobbying activities	0.8	0.0
Memberships	5.3	0.3

* scope is limited to ageas SA/NV

5 Corporate Governance Statement

5.1 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.

5.1.1 Composition

On 31 December 2021, the Board of Directors was composed of fourteen 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, Hans De Cuyper (CEO), Christophe Boizard (CFO), Emmanuel Van Grimbergen (CRO), Filip Coremans (MDA), Antonio Cano (MDE).

The mandates of Lionel Perl and Jan Zegering Hadders came to an end in May 2021 and were not renewed.

Jean-Michel Chatagny was appointed as new member of the Board of Directors at the shareholder's general meeting of 18 May 2021.

The mandates of Bart De Smet and Katleen Vandeweyer were renewed at the shareholder's general meeting of 18 May 2021. In line with the decision of the Board of Directors following the departure of Jozef De Mey in October 2020, Bart De Smet was appointed as Chairman of the Board.

The 2020 Belgian Code on Corporate Governance requires the Board to disclose in the Corporate Governance Statement the reasons why the appointment of the former CEO as Chairman does not hamper the required autonomy of the new CEO.

The Board has carefully considered the positive and negative implications of the decision to appoint Bart De Smet as Chairman and is convinced that his appointment as Chairman is in the best interest of the Group.

Given the profiles of Bart De Smet and Hans De Cuyper respectively, the Board of Directors feels confident that the appointment of Bart De Smet does not hamper the required autonomy of Hans De Cuyper. In any case, the Board of Directors has explicitly asked Bart De Smet to commit himself to this and the Board effectively monitors this on a regular basis.

The majority of the Board is composed of seven independent (as defined in the Belgian Code 2020) non-executive directors, seven non-independent directors and five out of fourteen directors are female.

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5.1.2 Meetings

The Board of Directors met eleven times in 2021. Attendance details can be found in section 5.5 Board of Directors.

In 2021, the Board dealt with, among others, the following matters:

- The new strategy cycle 2022 – 2024, Impact24, covering the strategy pursued by Ageas as a whole and by each business over a three-year period;
- 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 2020 Annual Report and mandatory reporting to the NBB (including the RSR, SFCR, SOGA and ORSA reports);
- Press releases;
- The budget over the cycle 2022-2024;
- 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;
- The succession of the responsible for the actuarial function;
- Various merger and acquisition files;
- Sustainability matters, including the evolution of the regulatory landscape and the integration of sustainability in at the core of the new Impact24 strategy.

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.

5.1.3 Advisory Board Committees

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

Attendance details of the Board Committees can be found in section 5.5 Board of Directors.

5.1.4 The Nomination and Corporate Governance Committee (NCGC)

On 31 December 2021, 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 2021, the Nomination and Corporate Governance Committee met on four occasions including one joint meeting with the Remuneration Committee.

The following matters were dealt with:

- The review of new board candidates in view of the general meeting 2022;
- The succession planning of the non-executive board members;
- The succession planning of the Executive Management;
- 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 review of the Corporate Governance Charter and the Articles of Association. Amongst other, the list of competences to be taken into account when nominating a new board member was reviewed and now explicitly also refers to expertise / knowledge in the fields of Technology, ESG matters, Regulatory and Legal matters.

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.

5.1.5 The Audit Committee

The composition of the Audit Committee changed in the course of 2021. Lucrezia Reichlin and Katleen Vandeweyer joined the committee as new members and replaced Jan Zegering Hadders and Sonali Chandmal.

On 31 December 2021, the Audit Committee was composed of three independent directors: Richard Jackson (Chair), Lucrezia Reichlin and Katleen Vandeweyer.

Next to the Executive Committee members, the internal auditor and the Head of Finance and the external auditors attended the meetings. The Director of Compliance joined the meeting until August 2021.

Based on new regulation, the Board decided that the responsible for the Compliance Function would report to the Risk and Capital Committee as from October 2021 and no longer to the Audit Committee.

The Audit Committee met on eight occasions in 2021 including one joint meeting with the Risk an 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 compliance, 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 status of the implementation of IFRS 9 and 17.

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.

5.1.6 The Remuneration Committee

In the course of 2021, Lionel Perl was replaced by Sonali Chandmal. Guy de Selliers de Moranville also joined the Remuneration Committee.

On 31 December 2021, 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 including one joint meeting with the Nomination and Corporate Governance Committee.

In 2021, 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 and Executive Committee 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 created function CDSO.

In the joint meetings with the Nomination and Corporate Governance Committee, the following topics were discussed and submitted to the Board of Directors for validation:

- 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 5.7.6 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 Chair of the Remuneration Committee reported on the aforementioned matters to the Board of Directors after each meeting and advised the Board on decision-making when required. Further information on the Remuneration Committee can be found in the Report of the Remuneration Committee (see section 5.7 of this chapter).

5.1.7 The Risk and Capital Committee (RCC)

In the course of 2021, Jean-Michel Chatagny replaced Lucrezia Reichlin as member of the Risk and Capital Committee. On 31 December 2021, 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 eight 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 2021 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 internal risk experts, the Director of Compliance joined the meeting, as from August 2021 following new regulation.

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.

During the joint meeting with the Audit Committee, the members discussed the status of implementation of IFRS 9 and 17.

5.2 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 are member 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 2021.

At the end of 2021, 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 property investments 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 2021, 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.

5.3 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.

5.4 Corporate Governance references and Diversity

5.4.1 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.

As mentioned under point 5.1.1., the mandate of Bart De Smet was renewed at the Shareholder's General Meeting of 18 May 2021. In line with the decision of the Board of Directors following the departure of Jozef De Mey in October 2020, Bart De Smet was appointed as Chairman of the Board.

The 2020 Belgian Code on Corporate Governance requires the Board of Directors to disclose in the Corporate Governance Statement why the appointment of the former CEO as Chairman does not hamper the required autonomy of the new CEO.

The Board has carefully considered the positive and negative implications of the decision to appoint Bart De Smet as Chairman and is convinced that the positive is vast and that, his appointment as Chairman is in the best interest of the Group.

Given the profile of Bart De Smet and Hans De Cuyper respectively, the Board feels confident that the appointment of Bart De Smet does not hamper the required autonomy of Hans De Cuyper. In any case, the Board has explicitly asked Bart De Smet to commit himself to this and the Board effectively monitors this.

5.4.2 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 2021, the Ageas Board was composed of four male Non–Executive directors and five 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 and one director of Indian 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 73% male senior managers and 27% female senior managers.

5.4.3. Board Assessment

In line with the 2020 Belgian Code on Corporate Governance, the Board of Directors decided to call upon the independence and expertise of GUBERNA to perform a formal external evaluation exercise, based on a written questionnaire complemented with individual interviews with all board members. GUBERNA's approach is to provide ageas with clear insights in the current effectiveness of its board by identifying the strengths and challenges. Building on corporate governance best practices, these insights were subsequently translated into specific recommendations focused at further maximising the board's added value for its shareholders, executive committee, and more generally the company. The report includes the main findings as well as a more detailed analysis of the information retrieved from the interviews and questionnaires.

The overall conclusion was the following (extract of the GUBERNA report issued in May 2021).

In recent history, the board of ageas has witnessed as well as instigated a number of changes. After Connect21, the new strategic plan Impact24 is being finalized for launch. Globally, the new reinsurance branch is being developed further, which means that the focus of ageas' business is broadened. Focusing on changes within the board itself, an important transition has taken place with the ex-CEO taking up the position of chairman, and the CEO of the Belgian subsidiary (AG Insurance) becoming the CEO of ageas. In the near future, two board members with a long track record are leaving and two new profiles are going to bring their own specific skills and network. The board is still in the process of adapting to the new situation, while simultaneously preparing for new challenges ahead. This board assessment takes this context of change and recent transition into account and aims to give a snapshot of the board right now, as it functions within this time frame. Ageas' governance structure is quite mature and to a large extent compliant with the prevailing corporate governance requirements. Ageas' Corporate Governance Charter, that is frequently updated (most recently in 2019), is an extensive document that touches upon all formal aspects of governance. The numbers below summarises the answers of the surveyed directors to the question "How would you evaluate the current added value of the board?". *The majority of directors assesses the added value as "very good", which indicates a very high level of appreciation.*

- *Good : 2*
- *Very Good : 2*
- *Excellent : 11*

Overall, there is a consensus among the respondents that the board of directors of ageas 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. Governance is indeed a dynamic matter that evolves over time to arm the company and its decision-making bodies against the challenges it is confronted with. In particular, there is no "one size fits all" framework for good governance. The implementation of governance principles requires the necessary flexibility and modulation according to the particularities, culture and context of the company concerned (the so called "substance over form" approach). This rational is key in GUBERNA's board evaluation methodology which focuses on the creation of added value by the board of directors.

5.5 Board of Directors


Bart De Smet
Chair I Chair CGC


Hans De Cuyper
CEO


Guy de Selliers de Moranville
Vice Chairman


Jane Murphy
Chair RemCo


Jean-Michel Chatagny
Member


Lucrezia Reichlin
Member


Yvonne Lang Ketterer
Chair RCC


Richerd Jackson
Chair AC


Sonali Chandmal
Member


Katleen Vandeweyer
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 2021: 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 2021, 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 2021, 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 2021, 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 2021, 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 2021, 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.

Sonali Chandmal

- 1968 – Belgian / Indian – Independent – Female
- On 31 December 2021, 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 2022.

Katleen Vandeweyer

- 1969 – Belgian – Independent – Female
- On 31 December 2021, 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 2021, 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.

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.

Valérie Van Zeveren

- Company Secretary

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

Attendance at Board and Committee meetings

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

	Board meetings********			Audit Committee meetings		Corporate Governance Committee meetings		Remuneration Committee meetings		Risk & Capital Committee meetings	
Name	Held	Attended		Held*	Attended	Held**	Attended	Held**	Attended	Held*	Attended
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%)			3	3				
Guy de Selliers de Moranville****	12	12	(100%)			3	3	1	1	8	8
Jan Zegering Hadders***	6	6	(100%)	3	3						
Jane Murphy	12	12	(100%)			3	3	3	3		
Katleen Vandeweyer*******	12	10	(92%)	4	3			3	3		
Lionel Perl***	6	6	(100%)					2	2		
Lucrezia Reichlin*****	12	11	(92%)	4	4					3	3
Richard Jackson	12	12	(100%)	7	7	3	3				
Sonali Chandmal******	12	12	(100%)	3	3			1	1		
Yvonne Lang Ketterer	12	12	(100%)			3	3			8	8
New Board member as per May 2021 (held meetings are since the General Meeting)											
Jean-Michel Chatagny***	8	8	(100%)							5	5

* Including the joint meeting RCC / AC.

** Including the joint meetings RC / NCGC. All non-executive Board members attended the joint meeting

*** The mandates of Mr. Perl and Mr. Zegering Hadders came to an end in May 2021

**** Mr. de Selliers joined the Remuneration Committee in June 2021

***** Mrs. Reichlin left the Risk and Capital Committee and joined the Audit Committee in June 2021

****** Mrs. Chandmal left the Audit Committee and joined the Remuneration Committee in June 2021

******* Mrs. Vandeweyer joined the Audit Committee in June 2021

******** The total number of meetings includes the attendance at the general meeting of May 2021

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.

5.6 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 2021 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 2021;
- 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 2021;
- 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 2021;
- Share option and share purchase plans, if any, are outlined in note 6 section 6.2 Employee share and share-linked incentive plans in the Ageas Consolidated Financial Statements 2021. 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 2021, 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 2023;
- 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.

5.7
Report of the Remuneration Committee

Dear Shareholder, on behalf of the Remuneration Committee I am pleased to present you with our Remuneration Report for 2021. By way of introduction, I would like to highlight some important events which marked 2021:

- 2021 marked the last year of our Connect 21- plan which in spite of the challenging conditions of the Covid-19 pandemic was completed very successfully. We achieved all financial targets and important progress was made for our stakeholders and sustainability metrics.

- The new strategic plan for the period 2022-2024, Impact24 was prepared and launched in 2021. The plan sets clear financial ambitions for our core business, for our new engines of growth and puts a still stronger focus on sustainability which will be clearly cascaded in our performance KPIs. The increasing attention for capital management objectives will be reflected in our financial KPIs. In this context we also discussed some upcoming changes in anticipation of IFRS 9/17 and C-ROSS 2.

- In support of the implementation of the Impact24 plan and to reinforce our sustainability approach the Board decided to enlarge the Management Committee with a Chief Development and Sustainability Officer (CDSO). Gilke Eeckhoudt was appointed CDSO Ageas as of 1 September 2021.

- We strongly value dialogue with and feedback from our shareholders. Following last year's General Meeting of Shareholders, we contacted a selection of our Shareholders to obtain more in-depth feedback on their vote on the Remuneration report 2020. Following this feedback, we included a more detailed view on the achievement of the non-financial and financial KPIs and their impact on variable remuneration. We also conducted a benchmarking exercise on the vesting conditions of the Long-Term Incentive (LTI)- plan.

- The Covid-19 pandemic remained again in 2021 at the centre of attention requiring close monitoring of our remuneration practices in line with the guidelines of the regulatory authorities.

In this Remuneration Report we look back on 2021 and we report on Ageas's performance and on how it impacted Executive Remuneration.

The Remuneration Report includes a summary of our Board of Directors and Executive Management Remuneration Policy and provides a transparent disclosure of the remuneration of the Board of Directors and Executive management including variable and share-based remuneration.
I invite you to read this Remuneration Report together with **chapter 6.3 Remuneration of the Board of Directors and the Executive Committee Members of the annual report,** which is an integral part of the Remuneration Report.

In this Remuneration Report you will find a confirmation of the objectives of our Remuneration Policy and an overview of the main topics that we discussed in the Remuneration Committee during 2021. As in the past we consistently implemented the policy regarding the remuneration of the Board of Directors and the Executive Committee.

I look forward to presenting our Remuneration Report at the General Meeting of Shareholders on 18 May 2022.

Jane Murphy

Chair of the Remuneration Committee

29 March 2022

5.7.1 The Remuneration Committee

The Remuneration Committee consists of Jane Murphy (Chair), Katleen Vandeweyer, Sonali Chandmal and Guy de Selliers. Lionel Perl stepped down as Member of the Remuneration Committee following the General Meeting of Shareholders in May 2021. Sonali Chandmal and Guy de Selliers became a member of the Remuneration Committee as of that same day. The committee held 3 meetings including one joint meeting with the Corporate Governance Committee during the year under review. The CEO and the Group HR Director attended the meetings of the Remuneration Committee, except for matters relating to themselves. Attendance details can be found in section 4.5 Board of Directors.

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

5.7.2 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 existing and upcoming Belgian legislation and European regulations.

Market competitiveness

The remuneration of both the Board of Directors and of the Executive Committee is intended:
- to reward fairly and competitively ensuring the organisation's ability to attract, motivate and retain key talent in an international marketplace;
- to differentiate reward by performance and recognise sustained (over) achievement of performance against pre-agreed, objective goals at the corporate, operating company and individual level;
- to pursue long-term value creation and alignment with stakeholders' interests.

Sound risk management

The remuneration policy includes guidelines:
- to observe sound principles of corporate governance, of responsible business conduct and compliance with legal requirements;
- to obtain a remuneration practice that contributes to sound risk management and does not lead to risk-taking that exceeds the risk tolerance limits of Ageas.

Transparency

The Board of Directors will submit for approval to the General Meeting of Shareholders the yearly Remuneration Report, providing detailed insights into the work of the Remuneration Committee and the remuneration practice for the financial year in scope. The Board of Directors will submit the Remuneration Policy for approval to the General Meeting of Shareholders at any material update and at least every 4 years.

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 by taking into account, the Solvency II Directive, the EU Shareholder Rights' Directive II, its implementation in Belgian legislation, the Belgian Corporate Governance Code of 2020 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).

5.7.3 What did we discuss in 2021?

In 2021 the Committee discussed and submitted recommendations to the Board of Directors on:
- The share-linked incentive plan in favour of senior management;
- The guidelines of the regulatory authorities on variable remuneration in the context of the Covid–19 pandemic;
- 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 compensation of the newly appointed Chief development and sustainability officer (CDSO);
- The benchmarking and review of the remuneration of the members of the Management and Executive Committee against current market practices;
- The feedback on the shareholder's vote on the Remuneration Report;
- The LTB-scheme for senior management in the UK in the context of the review of the pension contribution;
- A feedback of the newly installed Remuneration Committee in Ageas Portugal.

In the joint meeting with the extended Nomination and Corporate Governance Committee, the following topics were discussed and submitted to the Board of Directors for validation:
- 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 5.7.6 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 assessments.

5.7.4 Policy implementation in 2021

Board of Directors

Remuneration of the Board of Directors consists of a fixed annual remuneration and an attendance fee. Since 2018, the fixed annual remuneration amounts to EUR 120,000 for the Chairman and EUR 60,000 for the other Non-Executive Board Members. Non-Executive Board Members receive an attendance fee of EUR 2,000 per Board Meeting and EUR 1,500 per Board Committee Meeting. For the Chairman of the Board of Directors and the Board Committees, the respective attendance fees are set at EUR 2,500 per Board Meeting and EUR 2,000 per Board Committee Meeting. No changes were proposed to these amounts for 2021.

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 of Board remuneration.

Executive Committee changes

There were no changes in the Exco during 2021.

5.7.5 Total and Share based Remuneration

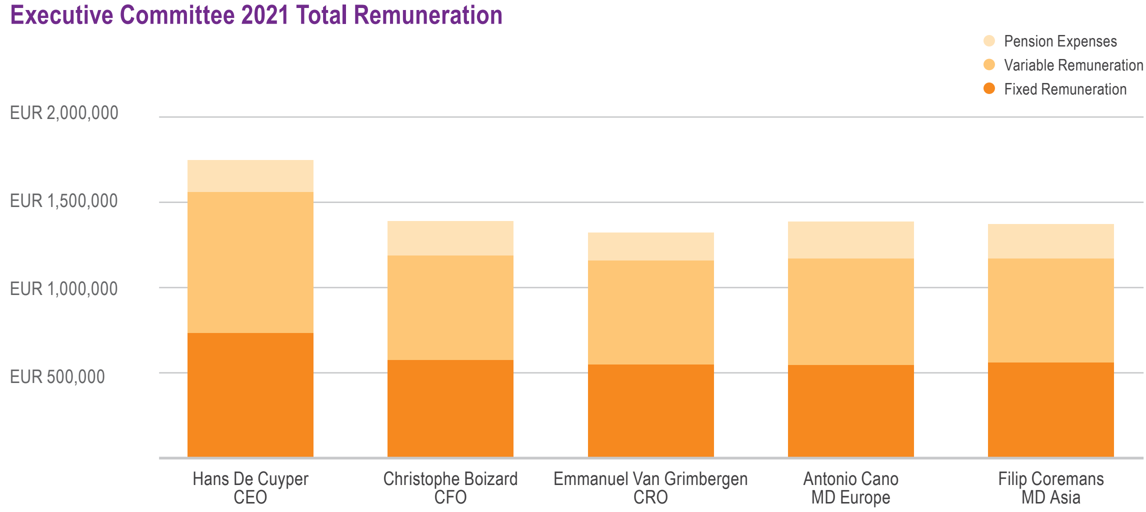
Board of Directors

Total remuneration of Non-Executive Board Members amounted to EUR 1.48 million in the 2021 financial year (2020: EUR 1.77 million). The decrease is explained by a lower number of Board and Board Committee meetings in comparison to 2020. 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. For detailed individual information on Board Remuneration we refer to note C.6.3.1 of the annual report.

Executive Remuneration

In 2021, the total remuneration including pension contributions and fringe benefits of the Executive Committee amounted to EUR 7,197,532 compared to EUR 7,749,540 in 2020. For detailed individual information on Executive Remuneration we refer to note C.6.3.2 of the annual report.

Executive Committee 2021 Total Remuneration



5.7.6 Compliance with policy and application of performance criteria

One-year variable remuneration (STI)

All variable remuneration in relation to 2021 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%). Individual performance is measured on specific strategic actions and on an assessment against the criteria of the Ageas leadership framework. The company performance criteria consist of both financial KPI and stakeholder related KPIs. For the CRO specific criteria related to the risk function apply. The table below gives an overview of the key performance indicators, their respective weight and the level of achievement as assessed by the Board of Directors.

The overall achievement resulted in the following pay-outs of the target STI for performance year 2021:

- Hans De Cuyper (CEO): 120% of target;
- Christophe Boizard (CFO): 116% of target;
- Emmanuel Van Grimbergen (CRO): 117% of target;
- Antonio Cano (MD Europe): 118% of target;
- Filip Coremans (MD Asia): 120% of target.

You will find below a detailed overview of all KPIs, their weight, threshold, targets, maximum, actuals and the related pay-out of the STI.

Incumbent Name	Ageas Performance Score (1)	Weight	Individual Performance Score	Weight	Risk Performance Score	Weight	Total Performance Score
Hans De Cuyper	116%	70%	129%	30%	na	0%	120%
Christophe Boizard	116%	70%	115%	30%	na	0%	116%
Emmanuel Van Grimbergen (2)	116%	40%	121%	30%	115%	30%	117%
Antonio Cano	116%	70%	122%	30%	na	0%	118%
Filip Coremans	116%	70%	129%	30%	na	0%	120%

(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 which scores 115%

The individual performance score weighing for 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 weighing for half of the individual component, each ExCo- member was assessed on a number of specific objectives linked to his area of responsibility and the implementation of the Connect21 strategic 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 Enterprise Risk Management (ERM), information security and GDPR, on ESG and climate related disclosures, on optimization of the balance sheet and SCR and on the compliance function.

The Ageas Business score is determined by the performance on a number of financial KPIs and stakeholder related KPI. These KPI 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 Maximum
Financial	Net profit	17.5%	741.0	926.2	1,194.9	945.4	18.74%	107.10%
	Earnings per share (EPS)	10.5%	4.07	5.09	6.57	5.06	10.17%	96.90%
	Growth	7.0%					7.24%	103.40%
	Combined Ratio	10.5%	97.1%	94.1%	93.1%	95.4%	4.55%	43.30%
	Operating margin guaranteed	7.0%	0.81%	0.91%	1.01%	0.99%	12.60%	180.00%
	Operating margin unit-linked	3.5%	0.26%	0.31%	0.41%	0.35%	4.90%	140.00%
Stakeholders	Employee NPS	3.5%	no NPS data & participation <40%	NPS [0-25P] & participation >=70%	NPS [75-100P] & participation >=80%	NPS= 62,48 = top quartile, participation = 86,9%	7.00%	200.00%
	Customer NPS	3.5%	average of operational companies				5.18%	148.00%
	ESG-rating	7.0%	no rating improvement CO2 >30,000 ton	4 of 6 ratings better CO2 [20,000-22,000] ton	6 of 6 ratings better CO2 < 18,000 ton	5 of 6 ratings better CO2 = 15,600 ton	10.50%	150.00%
Total		70%					81%	116%

(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 Connect 21 strategic plan and budget. Weights of the different KPIs remained stable in comparison to last year with the exception of Net Profit which was slightly increased to incorporate the growing impact of the reinsurance activity.

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 86.9% and a top quartile NPS of 62.48 (Deloitte benchmark) a maximum score 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 148% on a range of 0-200%.
- ESG: The 150% score for the ESG-KPI is based on the improvement of the ratings for the ESG rating agencies where 5 of the 6 ratings have improved over the last year, on the reduction of the CO2 level and the progress made on the Task Force on Climate Related Financial Disclosure (TCFD).

For more detailed information on the stakeholder KPI we refer to note 4 Sustainability at the heart of everything we do.

Multi-year variable remuneration (Long-Term incentive)

The grant of the multi-year variable remuneration (LTI) is based on the achievement of the “Ageas Business Score” which is the result of the achievement of the financial KPIs as mentioned in the table above.

With an Ageas business score of 5 (on a range of 1 to 7), the Board of Directors decided on a grant of 150% of the target of the LTI (or 67.5% of base compensation).

5.7.7 Derogations and deviations from the Remuneration Policy

There were no derogations from the policy during financial year 2021.

5.7.8 Comparative information on change of remuneration and company performance

Total CEO–pay for 2021 versus the average employee remuneration results in a comparative ratio of 20.6 In relation to the lowest employee remuneration at ageas SA/NV this results in a comparative ratio of 33.4 We refer to note C.6.3.2 of the annual report for a detailed comparative and evolutive table.

5.7.9 Shareholder vote and feedback

We 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 and validated at the General Meeting of Shareholders of May 2020. There have been no major changes to the policy since.

The Remuneration Report 2020 was validated by 63.66% of shareholder votes. Given our commitment to transparency and shareholder feedback, we contacted various Shareholders to obtain more in-depth feedback on their vote on the Remuneration report of 2020. As a result, a more detailed view on the achievement of the non-financial and financial KPIs and their impact on variable remuneration has been included in this year’s Remuneration report. We also conducted a benchmarking exercise on the vesting conditions of the LTI-plan. Given that the outcome of this exercise confirmed mixed observations as to the metrics applied by our peers, we decided to maintain the current vesting conditions while keeping the matter under review.

5.7.10 Looking ahead to 2022

The Remuneration Committee discussed the competitive benchmarking of the remuneration of the members of the Management and Executive Committee against current market practices. On appointment, the salary of the CEO was set at EUR 650,000, at the lower end of the range of EUR 650,000 to EUR 900,000 gross/year validated by the General Meeting of shareholders for CEO-remuneration. The Remuneration found that since his appointment the CEO performed exceptionally well amongst others with the successful closure of the Connect21 -plan which achieved all financial targets and the development and communication of the new strategic plan Impact 24 which includes a strong focus on sustainable growth including the impact on the Group’s organisation and the setting up of the Chief Development and Sustainability office. The benchmarking exercise provided by Willis Towers Watson showed that the CEO’s total direct compensation is significantly lower than the median at target when compared with the BEL 20 and the European peer groups. The Remuneration Committee therefore recommended and the Board approved to increase the base compensation of the CEO of Ageas to EUR 750,000 gross/year which is within the range of EUR 650,000 to EUR 900,000 gross/year as validated by the General Meeting of shareholders. This increase applies as of January 2022. No other changes to Executive Committee remuneration were proposed.

The Remuneration Committee discussed the competitive benchmarking for the remuneration of the Board of Directors. Based on this information it was decided to propose no changes to the remuneration of the Board of Directors for 2022.

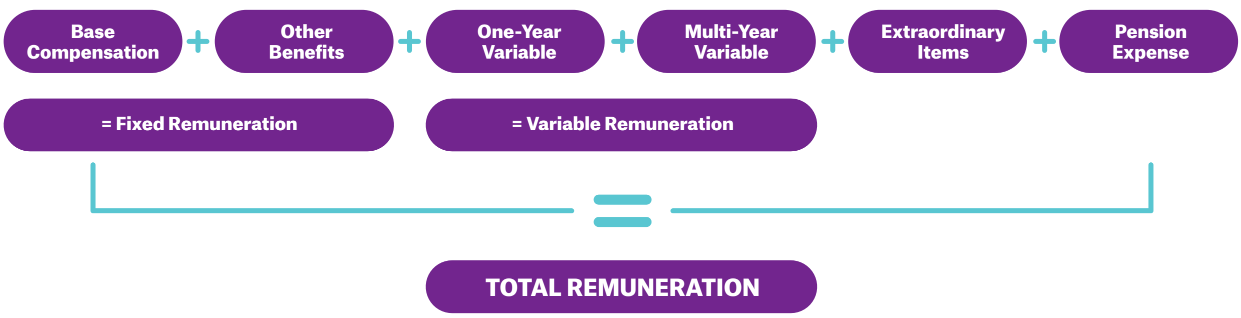
Finally, specific attention will be given to the impact on remuneration practices of upcoming regulatory and reporting changes such as C-Ross 2 and IFRS 9/17.

Board of Directors
29 March 2022

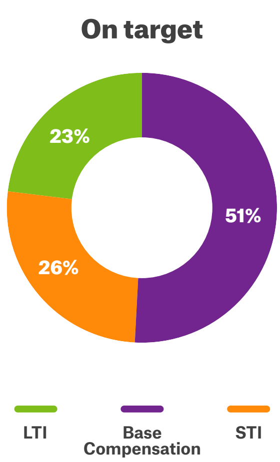
5.7.11 Our 2021 Remuneration Policy at a glance

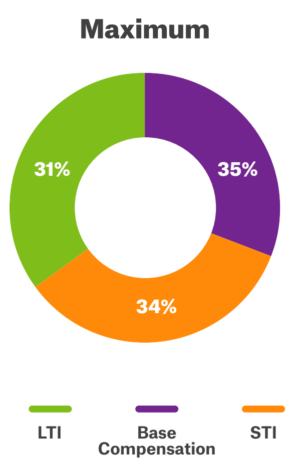
Executive Committee

The Remuneration Policy of Ageas's Executive Committee members is reviewed annually by the Remuneration Committee. The total remuneration package of the Executive Committee Members consists of the following elements that will be further explained in this report:



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 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. One-Year Variable (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.

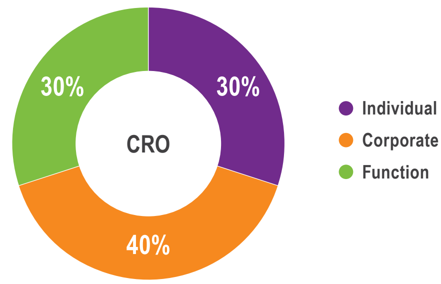
The STI is subject to a deferral period of three years, i.e. STI for performance year N is paid out as follows:
- 50% during N + 1
- 25% during N + 2
- 25% during N + 3

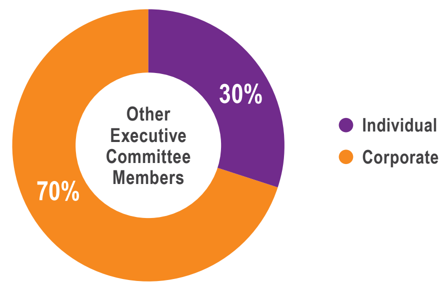
In line with the Remuneration Policy, deferred amounts are subject to the achievement of sustained performance over the deferral period and are therefore subject to upwards or downwards adjustments.

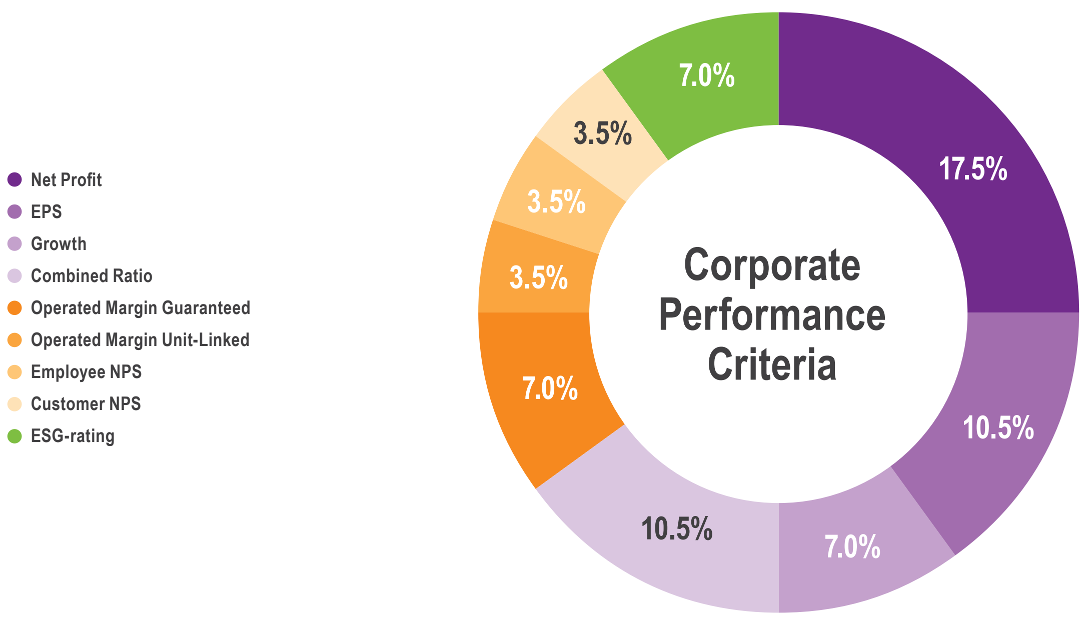
The Short-Term Incentive Plan includes a claw-back provision.

Performance Criteria

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







2. Multi-Year Variable (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	% 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 3.5 years after grant is subject to a relative total shareholder return (TSR) performance measurement as compared to a peer group. The vesting scheme of the performance shares is shown in the following table. In any case the total 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 a number of competitors, constitute the peer group for the 2021 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 respect 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 yearly 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.

Board of Directors

Board of ageas SA/NV

Per 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 of 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 2021

Consolidated statement of financial position

(before appropriation of profit)

	Note	31 December 2021	31 December 2020
Assets			
Cash and cash equivalents	*9*	1,937	2,241
Financial investments	*10*	59,952	63,710
Investment property	*11*	3,117	2,889
Loans	*12*	14,492	13,398
Investments related to unit-linked contracts		18,899	17,088
Equity accounted investments	*13*	5,328	4,929
Reinsurance and other receivables	*14*	2,149	1,961
Current tax assets		53	49
Deferred tax assets	*22*	100	98
Accrued interest and other assets	*15*	2,039	1,885
Property, plant and equipment	*16*	1,732	1,827
Goodwill and other intangible assets	*17*	1,322	1,229
Assets held for sale		19	114
Total assets		**111,139**	**111,418**
Liabilities			
Liabilities arising from Life insurance contracts	*19.1*	28,673	29,973
Liabilities arising from Life investment contracts	*19.2*	30,617	31,629
Liabilities related to unit-linked contracts	*19.3*	18,901	17,090
Liabilities arising from Non-life insurance contracts	*19.4*	7,889	7,404
Subordinated liabilities	*20*	2,748	2,758
Borrowings	*21*	3,616	3,920
Current tax liabilities		16	89
Deferred tax liabilities	*22*	971	1,105
RPN(I)	*23*	520	420
Accrued interest and other liabilities	*24*	2,834	2,934
Provisions	*25*	182	322
Liabilities related to assets held for sale			
Total liabilities		**96,967**	**97,644**
Shareholders' equity	*18*	11,914	11,555
Non-controlling interests	*26*	2,258	2,219
Total equity		**14,172**	**13,774**
Total liabilities and equity		**111,139**	**111,418**

Consolidated income statement

	Note		2021		2020
Income					
- *Gross premium income*		*8,979*		*8,435*	
- *Change in unearned premiums*		*14*		*(22)*	
- *Ceded earned premiums*		*(460)*		*(411)*	
Net earned premiums	*30*		8,533		8,002
Interest, dividend and other investment income	*31*		2,427		2,392
Unrealised gain (loss) on RPN(I)	*23*		(101)		(61)
Result on sales and revaluations	*32*		294		639
Investment income related to unit-linked contracts	*33*		1,406		484
Share in result of equity accounted investments	*13*		464		328
Fee and commission income	*34*		467		385
Other income	*35*		282		201
Total income			**13,772**		**12,370**
Expenses					
- *Insurance claims and benefits, gross*		*(7,757)*		*(6,966)*	
- *Insurance claims and benefits, ceded*		*286*		*151*	
Insurance claims and benefits, net	*36*		(7,471)		(6,815)
Charges related to unit-linked contracts			(1,572)		(610)
Financing costs	*37*		(138)		(139)
Change in impairments	*38*		(41)		(172)
Change in provisions	*25*		15		36
Fee and commission expenses	*39*		(1,213)		(1,138)
Staff expenses	*40*		(852)		(834)
Other expenses	*41*		(1,269)		(1,165)
Total expenses			**(12,541)**		**(10,837)**
Result before taxation			**1,231**		**1,533**
Tax income (expenses)	*42*		(215)		(233)
Net result for the period			**1,016**		**1,300**
Attributable to non-controlling interests	*26*		171		159
Net result attributable to shareholders			**845**		**1,141**
Per share data (EUR)					
Basic earnings per share	*18*		4.52		6.07
Diluted earnings per share	*18*		4.52		6.06

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

	Note	2021	2020
Gross premium income		8,979	8,435
Inflow deposit accounting (directly recognised as liability)	*30*	1,826	1,057
Gross inflow		**10,805**	**9,492**

Consolidated statement of comprehensive income

	Note		2021		2020
COMPREHENSIVE INCOME					
Items that will not be reclassified to the income statement:					
Remeasurement of defined benefit liability		*131*		*(71)*	
Related tax		*(34)*		*17*	
Remeasurement of defined benefit liability	*6*	97		(54)	
Total of items that will not be reclassified to the income statement:			**97**		**(54)**
Items that are or may be reclassified to the income statement:					
Change in amortisation of investments held to maturity		*2*		*4*	
Related tax				*(1)*	
Change in amortisation of investments held to maturity	*10*	2		3	
Change in revaluation of investments available for sale (1)		*(298)*		*81*	
Related tax		*161*		*(37)*	
Change in revaluation of investments available for sale	*10*	(137)		44	
Share of other comprehensive income of equity accounted investments	*13*	(168)		144	
Change in foreign exchange differences		291		(356)	
Total items that are or may be reclassified to the income statement:			**(12)**		**(165)**
Other comprehensive income for the period			**85**		**(219)**
Net result for the period			1,016		1,300
Total comprehensive income for the period			**1,101**		**1,081**
Net result attributable to non-controlling interests		171		159	
Other comprehensive income attributable to non-controlling interests		12		(34)	
Total comprehensive income attributable to non-controlling interests			**183**		**125**
Total comprehensive income attributable to shareholders			**918**		**956**

(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.

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 2020	**1,502**	**2,051**	**2,663**	**95**	**979**	**3,931**	**11,221**	**2,260**	**13,481**
Net result for the period					1,141		1,141	159	1,300
Revaluation of investments						212	212	(21)	191
Remeasurement IAS 19			(42)				(42)	(12)	(54)
Foreign exchange differences				(355)			(355)	(1)	(356)
Total non-owner changes in equity			(42)	(355)	1,141	212	956	125	1,081
Transfer			979		(979)				
Dividend			(485)				(485)	(167)	(652)
Change in capital								8	8
Treasury shares			(131)				(131)		(131)
Share-based compensation			1				1		1
Other changes in equity (1)			(7)				(7)	(7)	(14)
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 31 December 2021	**1,502**	**2,051**	**3,640**	**29**	**845**	**3,847**	**11,914**	**2,258**	**14,172**

(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		2021		2020
Cash and cash equivalents as at 1 January	***9***		**2,241**		**3,745**
Result before taxation			1,231		1,533
Adjustments to non-cash items included in result before taxation:					
Remeasurement RPN(I)	*23*	101		61	
Result on sales and revaluations	*32*	(294)		(639)	
Share in result of equity accounted investments	*13*	(464)		(328)	
Depreciation, amortisation and accretion	*41*	833		854	
Impairments	*38*	41		172	
Provisions	*25*	(15)		(36)	
Share-based compensation expense	*40*	7		3	
Total adjustments to non-cash items included in result before taxation			*209*		*87*
Changes in operating assets and liabilities:					
Derivatives held for trading (assets and liabilities)	*10*	17		(9)	
Loans	*12*	(1,093)		(2,331)	
Reinsurance and other receivables	*14*	(57)		(176)	
Investments related to unit-linked contracts		(1,812)		(659)	
Proceeds from the issuance of borrowings	*21*	13		1,053	
Payment of borrowings	*21*	(375)		(90)	
Liabilities arising from insurance and investment contracts	*19.1 & 19.2 & 19.4*	(1,723)		987	
Liabilities related to unit-linked contracts	*19.3*	2,045		560	
Net changes in all other operational assets and liabilities		524		(2,248)	
Dividend received from associates	*13*	219		169	
Income tax paid		(263)		(205)	
Total changes in operating assets and liabilities			*(2,505)*		*(2,949)*
Cash flow from operating activities			**(1,065)**		**(1,329)**
Investing activities within the group		(1)		2	
Purchases of financial investments	*10*	(4,751)		(5,955)	
Proceeds from sales and redemptions of financial investments	*10*	6,547		7,431	
Purchases of investment property	*11*	(377)		(557)	
Proceeds from sales of investment property	*11*	177		328	
Purchases of property, plant and equipment	*16*	(50)		(262)	
Proceeds from sales of property, plant and equipment	*16*	24		7	
Acquisitions of subsidiaries and equity accounted investments (including capital increases in equity accounted investments)	*3*	(233)		(440)	
Divestments of subsidiaries and equity accounted investments (including capital repayments of equity accounted investments)	*3*	200		175	
Purchases of intangible assets	*17*	(97)		(96)	
Proceeds from sales of intangible assets				2	
Cash flow from investing activities			**1,439**		**635**
Proceeds from the issuance of subordinated liabilities	*20*			498	
Redemption of subordinated liabilities	*20*			(507)	
Purchases of treasury shares		(56)		(131)	
Dividends paid to shareholders of parent companies		(485)		(485)	
Dividends paid to non-controlling interests		(140)		(167)	
Repayment of capital (including minority interests)		(3)		(12)	
Cash flow from financing activities			**(684)**		**(804)**
Effect of exchange rate differences on cash and cash equivalents			**6**		**(6)**
Cash and cash equivalents as at 31 December	***9***		**1,937**		**2,241**
Supplementary disclosure of operating cash flow information					
Interest received		1,840		1,909	
Dividend received from financial investments	*31*	161		128	
Interest paid		(142)		(132)	

C

General Notes

Covid-19

Since early 2020, the Covid-19 pandemic has resulted in additional uncertainties in the operating environment of Ageas.

- The impact on performance is highlighted in **Section A** of this Annual Report as are the impacts on society, our employees and philanthropy initiatives.
- The impact on our risk taxonomy is discussed in **Section C, note 4.6.**
- The uncertainties regarding management judgements, accounting estimates and assumptions are discussed in **Section C, note 2.3**.
- Impacts on lines of the income statement are explained in **Section A** and in various notes in **Sections C and D** (see notes 2.2.1., 14, 31, 38, 41).

1 Legal structure

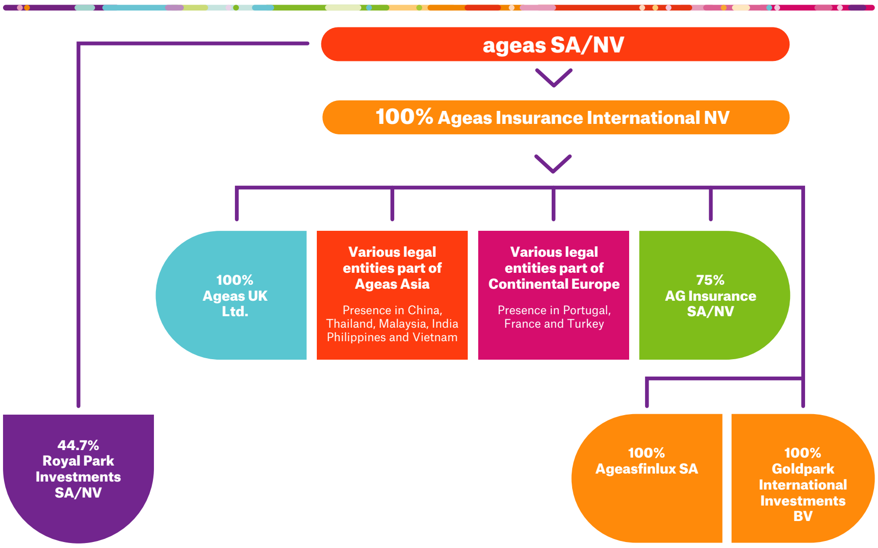
ageas SA/NV, incorporated in Belgium with its registered office at Rue du Marquis 1/ Markiesstraat 1, Brussels, Belgium, is the parent company of the Ageas group. The Annual Report includes the Consolidated Financial Statements of the Ageas group and the Financial Statements of ageas SA/NV. Ageas group carries out life, non-life insurance and reinsurance business in Europe and Asia.

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 2021 are:

- Fosun 10.01%;
- BlackRock, Inc 5.23%;
- Ping An 5.17%;
- Schroders Plc 3.02%;
- ageas SA/NV and its subsidiaries hold 2.13% 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 2021 as follows.
Finteas NV has been liquidated as per 22 December 2021.



Fully consolidated entities of Ageas in Continental Europe are in Portugal, Millenniumbcp Ageas (51%), Ocidental Seguros (100%), Médis (100%), Ageas Portugal Vida (100%) and Ageas Portugal Seguros (100%) and in France, Ageas France (100%). The full list of undertakings in the scope of the Group is published in the 'Group Public Disclosure QRTs' which can be found on the website: https://www.ageas.com/investors/quarterly-results.

2 Summary of accounting policies

The Ageas Consolidated Financial Statements 2021 ('Consolidated Financial Statements'), including all the notes, comply with the International Financial Reporting Standards (IFRS) required as at 1 January 2021, as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union (EU).

2.1 Basis of accounting

The accounting policies applied in these Consolidated Financial Statements are consistent with those applied for the year ended as at 31 December 2020, except for the changes listed in paragraph 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 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 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

2.2.1 Current-year changes in IFRS standards

In 2021, the following new or revised IFRS standards, interpretations and amendments to IFRS standards and interpretations became effective, as endorsed by the EU.

Interest Rate Benchmark Reform (phase 2) – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

To meet new 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 might be discontinued.

To deal with the accounting consequences of those reforms, the IASB issued two amendments:

- In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7 on 'Interest Rate Benchmark Reform' (phase 1). The EU endorsed these amendments in January 2020 and they apply for annual reporting periods beginning on or after 1 January 2020.
- In August 2020, the IASB issued amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 on 'Interest Rate Benchmark Reform' (phase 2). The EU endorsed these amendments in January 2021 and they apply for annual reporting periods beginning on or after 1 January 2021.

Ageas did not early adopt both amendments.

The phase 1 amendments deal with potential issues in the period preceding the replacement of the actual interest rate benchmarks with alternative rates, while the phase 2 amendments deal with potential replacement issues.

The amendments provide (mandatory) temporary reliefs from applying specific hedge accounting requirements to hedging relationships that are directly affected by uncertainties related to the interest rate benchmark reform. The existing hedging relationships can continue to exist during the period of uncertainty caused by the reform. Furthermore, the amendments provide a practical expedient for situations where the transition from the actual interest rate benchmark into an alternative benchmark results in changes in the contractual cash flows of financial assets, liabilities or leases. The practical expedient enables entities not to derecognise those assets or liabilities and to treat the changes to cash flows, that are directly required by the reform, as changes to a floating interest rate, equivalent to a movement in a market rate or interest.

As at 31 December 2021, a notional amount of hedging relationships linked to the EURIBOR for EUR 849 million and a principal amount of subordinated liabilities with a floating coupon rate linked to the EURIBOR for EUR 442.8 million are included in these Consolidated Financial Statements.

In 2019, the EURIBOR has been reformed to a hybrid methodology and the Financial Services and Markets Authority (FSMA) authorised the European Money Markets Institute (EMMI) as administrator of the EURIBOR benchmark, implying that the EURIBOR may be used in a foreseeable future by EU supervised entities. As from January 2022, the European Securities and Market Authority (ESMA) will substitute the FSMA as supervisor of the EURIBOR. The ESMA already confirmed in September 2020 that the discontinuation of the EURIBOR is not part of its plans.

Ageas monitors the developments regarding the interest rate benchmark reform. Because the EURIBOR may be discontinued one day, fallbacks are introduced in new contracts and Ageas monitors the impact on on-going contracts, to ensure the continuity of the contracts in the unlikely scenario of discontinuation of the EURIBOR. As at 31 December 2021, the amendments had no impact on the consolidated statement of financial position or income statement of Ageas.

Covid-19-related rent concessions – Amendments to IFRS 16

Ageas applies IFRS 16 'Leases', as issued by the IASB in January 2016 and endorsed by the EU in November 2017, since 1 January 2019.

As a result of the Covid-19 pandemic, lessors may have provided rent concessions to lessees. Rent concessions include rent holidays or rent reductions for a period of time, possibly followed by increased rent payments in future periods. To deal with rent concessions that are provided as a consequence of the Covid-19 pandemic, the IASB issued in May 2020 amendments to IFRS 16 'Covid-19-related rent concessions'. The EU endorsed these amendments in October 2020. These amendments provide lessees 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. As lessee, Ageas did not benefit from Covid-19-related rent concessions, that would result in a lease modification. Consequently, the amendments to IFRS 16 had no impact on the consolidated statement of financial position or income statement of Ageas.

Given the ongoing Covid-19 pandemic, the IASB issued in March 2021 an amendment to extend the practical expedient above for rent concessions that reduce lease payments due on or before 30 June 2022. The EU endorsed this extension in August 2021. Considering that Ageas did not benefit from Covid-19-related concessions, this extension did not and is not expected to have an impact on the consolidated statement of financial position or income statement of Ageas.

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 beginning on 1 January 2022 or later. Ageas has not early adopted any IFRS standard, interpretation or amendment that has been issued but is not yet effective.

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 beginning 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.

Together with the issuance of amendments to IFRS 17 in June 2020, the IASB issued amendments to IFRS 4 'Extension of the temporary exemption from applying IFRS 9', to confirm that insurers can apply both IFRS 9 'Financial instruments' and IFRS 17 'Insurance contracts' at the same time. The EU endorsed these amendments to IFRS 4 in December 2020.

The amendments to IFRS 4 foresee in two options to minimise the effect of the different effective dates of IFRS 9 and IFRS 17. 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 beginning on or after 1 January 2023 for entities whose activities are predominantly connected with issuing contracts within the scope of IFRS 4. Ageas performed such a predominance analysis at the reference date of 31 December 2015 and concluded being eligible to apply the temporary exemption from applying IFRS 9. This means that:

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

No reassessment of this 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 to align the effective dates of IFRS 9 and IFRS 17. In the meanwhile, a combined implementation project on the implementation of IFRS 9 and IFRS 17 is ongoing at Ageas. This combined implementation projects takes into account the amendments to IFRS 17 on 'Initial application of IFRS 17 and IFRS 9 – comparative information', as published by the IASB in December 2021.

Because Ageas decided to apply the temporary exemption from applying IFRS 9, Ageas discloses following information on fair value disclosure and credit risk exposure, in order to facilitate the comparison between the Consolidated Financial Statements of Ageas and the financial statements of other companies applying IFRS 9.

	Fair Value at 31 December 2021		Fair Value at 31 December 2020		Amount of change in fair value in 2021	
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	1,900	38	2,177	64	(277)	(26)
Debt securities, incl. structured notes	55,905	127	61,038	167	(5,133)	(40)
Equity securities and other investments		5,669		4,875		794
Derivatives held for trading		6		16		(10)
Derivatives for hedging purposes		34		3		31
Loans	15,155	297	14,338	597	817	(300)
Investments related to unit linked		18,899		17,088		1,811
Other receivables	802		858		(56)	

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 for financial assets that meet the SPPI test as per 31 December 2020	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	5,722				
AA	34,102				
A	12,615				
BBB	15,195				
Total investment grade	**67,634**				
Below investment grade	570	123	30		
Unrated	4,985	6	20	916	47
Total	**73,190**	**129**	**50**	**916**	**47**

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 2021	
Gross carrying amount applying IAS 39	1,357
Fair value	1,326
Difference	**31**

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://www.etiqa.com.my/v2/about-us/financial-report).

IFRS 17 Insurance contracts

The IASB issued IFRS 17 'Insurance contracts' in May 2017 and amended IFRS 17 in June 2020. IFRS 17 applies for annual reporting periods beginning on or after 1 January 2023, which is 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 a 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.

IFRS 17 is a comprehensive new accounting standard for insurance contracts, reinsurance contracts and investment contracts with discretionary participation features, covering recognition and measurement, presentation and disclosure of new and in-force groups of contracts. As from 1 January 2023, IFRS 17 will replace the current standard IFRS 4 'Insurance contracts', issued in 2005. The IASB expects that IFRS 17 will result in a more consistent accounting of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features compared to IFRS 4, which is largely based on grandfathering previous local accounting policies.

IFRS 17 introduces a current value accounting model for insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. The main features of this new accounting model are as follows:

- Measurement of the present value of future cash flows, incorporating an explicit risk adjustment for non-financial risk, remeasured at every reporting period (the fulfilment cash flows);
- A Contractual Service Margin (CSM), deferring any day one gain in the fulfilment cash flows of a group of insurance contracts, representing the unearned profitability of the contracts, which is recognised in the income statement over the period services are provided (i.e. coverage period);
- Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in the income statement over the remaining period during which services are provided;
- The effect of changes in discount rates will be reported either in the income statement either partly in the income statement and partly in equity (other comprehensive income), depending on the entity's accounting policy choice;
- A simplified Premium Allocation Approach (PAA) may be applied for contracts that meet specific conditions, such as for instance a coverage period of one year or less;
- For insurance contract with direct participation features, the general measurement model is modified into a Variable Fee Approach (VFA), by adjusting the CSM with changes in financial variables that adjust the variable fee;
- The presentation of insurance revenue and insurance service expenses in the statement of comprehensive income is based on the concept of services provided during the reporting period;
- Amounts that the policyholders will always receive, regardless of whether an insured event happens (non-distinct investment components), are not presented in the income statement but are recognised directly on the statement of financial position;
- Increased transparency about the profitability of insurance contracts: insurance service results are presented separately from insurance finance income or expense; and
- Extensive disclosures will provide information on the recognised amounts from insurance contracts and on the nature and extent of risks arising from these contracts.

Given the same application date of IFRS 9 'Financial instruments' and IFRS 17 'Insurance contracts', a combined implementation project is ongoing at Ageas. The implementation of both standards will result in a significant change to the accounting policies, to the presentation in the consolidated financial statements of Ageas and will affect the reported shareholder's equity, net result and other comprehensive income. Considering the ongoing implementation project, it is currently not yet possible to reliably quantify the impact of both standards on the consolidated financial statements of Ageas.

Other changes in IFRS standards

Other forthcoming changes in IFRS standards, interpretations and amendments to IFRS standards and interpretations, that will become effective on 1 January 2022 or later, are not expected to affect the consolidated statement of financial position or income statement of Ageas in a significant way. Not all of 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 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';
- 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'.

2.3 Accounting estimates

The preparation of the Ageas Consolidated Financial Statements requires the use of certain judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as well as the reported amounts of revenues and expenses during the reporting period. Each estimate by its nature carries a significant risk of material adjustment (positive or negative) to the carrying amounts of assets and liabilities during the next financial year.

Although the uncertain outlook concerning the short, medium and long-term impact of the Covid-19 pandemic decreased compared to 2020, the judgements, estimates and assumptions used remain subject to increased uncertainty. Consequently, actual amounts may differ from previous estimates and assumptions. Estimates and underlying assumptions have been reviewed, in particular as concerns fair values of (non-quoted) financial assets and liabilities measured using a valuation technique (level 2 or 3), fair values of investment property and property, plant and equipment, deferred tax assets, insurance liabilities, hedge accounting, measurement of recoverable amounts of financial assets, associates and goodwill.

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

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 the Ageas 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' 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.

Ageas' operating segments are:

- Belgium;
- United Kingdom (UK);
- Continental Europe;
- 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

The Ageas Consolidated Financial Statements include the financial statements of ageas SA/NV (the parent company) and its subsidiaries.

Business combinations

Business combinations are accounted for using the acquisition method, when the set of acquired activities and assets meet the definition of a business and control is transferred to Ageas. 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 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 Ageas companies) 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 following:

- 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' share in the associate's post-acquisition direct equity movements is recognised in equity (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' 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.

The probability of shareholder's approval is considered as part of the assessment of whether the sale is highly probable. If regulatory approval is needed, a sale is only considered to be highly probable after this approval.

Non-current assets (or disposal groups) classified as held for sale are:

- Measured at the lower of the carrying amount and fair value less costs to sell (except for the assets that are exempt from this rule such as IFRS 4 insurance rights, financial assets, deferred taxes and pension plans);
- Current assets and all liabilities are measured in accordance with the applicable IFRS;
- Not depreciated or amortised; and
- Presented separately in the statement of financial position (assets and liabilities are not offset).

The date of disposal of a subsidiary or disposal group is the date on which control passes. The consolidated income statement includes the results of a subsidiary or disposal group up to the date of disposal. The gain or loss on disposal is the difference between a) the proceeds of the sale and b) 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

For individual entities of Ageas, foreign currency transactions are accounted for using the exchange rate at the date of the transaction.

For monetary items, outstanding balances in foreign currencies at year-end are translated at current exchange rates at the end of the reporting period. Foreign exchange differences arising from monetary assets 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 equity (other comprehensive income).

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

Foreign currency translation

Upon consolidation of entities whose functional currency is not denominated in euro, the statement of financial position of those entities is translated using the exchange rates prevailing at the date of the statement of financial position. The income statement and cash flow statement of those entities is translated at the average daily exchange rates for the current year (or exceptionally at the exchange rate at the date of the transaction if exchange rates fluctuate significantly).

Translation exchange differences are recognised in equity. On disposal of a foreign entity, such exchange differences are recognised in 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 or a net investment in a foreign entity, are recorded in equity, 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. All resulting differences are recognised in equity until disposal of the foreign entity when a recycling to the income statement takes place.

The following table shows the exchange rates of the most relevant currencies for Ageas.

1 euro =	31 December 2021	Rates at end of period 31 December 2020	2021	Average rates 2020
Pound sterling	0.84	0.90	0.86	0.89
US dollar	1.13	1.23	1.18	1.14
Hong Kong dollar	8.83	9.51	9.19	8.86
Turkey lira	15.23	9.11	10.51	8.05
China yuan renminbi	7.19	8.02	7.63	7.87
Indian Rupee	84.23	89.66	87.44	84.64
Malaysia ringgit	4.72	4.93	4.90	4.80
Philippines Peso	57.76	59.13	58.30	56.62
Thailand baht	37.65	36.73	37.84	35.71
Vietnamese Dong	25,989	28,108	27,105	26,450

2.8 Measurement bases used in preparing the financial statements

The classification and measurement of assets and liabilities are 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 the 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’ financial investments (being bonds and equity shares) are classified as available-for-sale and are measured at fair value. Changes in fair value are recognised in equity (other comprehensive income) until the investment is sold. At the moment of disposal, the accumulated fair value changes in equity 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 an 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 equity 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 recognised in the income statement. Further positive revaluations of debt instruments classified as available-for-sale appear 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' 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 equity under the caption 'Unrealised gains and losses'. The amount in equity 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 equity are transferred from equity and are included in the initial measurement of that non-financial asset or liability. Otherwise, amounts deferred in equity 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 equity 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, the asset 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' 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' 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' 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 an 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 an 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:
1. The deposit component (including any embedded surrender options) can be measured separately (i.e. without taking into account the insurance component); and
2. Ageas' 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' 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 equity 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' 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' own shares is separated into two components on initial recognition:

a) 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
b) 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' 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 and disposals

The following significant acquisitions and disposals were made in 2021 and 2020. 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 2021

AgeSA (formerly: AvivaSA) (CEU)

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.

3.2 Disposals in 2021

Tesco Underwriting Ltd. (TU) (UK)

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.

3.3
Acquisitions in 2020

Taiping Reinsurance Co. Ltd. (TPRe) (Asia)
On 27 November 2020, Ageas acquired a 24.99% interest in Taiping Reinsurance Company Limited (TPRe) by subscribing to a capital increase of HKD 3 billion (EUR 336 million). TPRe is a subsidiary of China Taiping Insurance Holdings (CTIH). The interest in associate TPRe is accounted for using the equity method.

Additional acquisition in IFLIC (Asia)
On 30 December 2020, Ageas acquired an additional 23% stake in the Indian Life insurance joint venture IDBI Federal Life Insurance Company Ltd. (IFLIC) for a consideration of INR 5.1 billion (EUR 58 million including transaction costs). With this transaction, Ageas increased its interest in IFLIC to 49% and became the largest shareholder in the joint venture it operates together with IDBI Bank and Federal Bank. Ageas continues to account for the associate using the equity method.

Following the transaction IFLIC was rebranded to Ageas Federal Life Insurance Company.

3.4
Disposals in 2020

AG Insurance (Belgium)
In the second quarter of 2020, a loss of control in the Sicav Equities Euro resulted in the deconsolidation of this entity, leading to a capital gain of EUR 26 million.

In the third quarter of 2020, AG Insurance sold the equity associate SCI Frey Retail Fund 2 for an amount of EUR 41 million, realising a capital gain of EUR 8 million. In the last quarter of 2020, AG Insurance sold their interests in the equity associate BG1 for a total consideration of EUR 125 million, realising a capital gain of EUR 32 million.

3.5
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.

		2021		2020
	Acquisitions	Disposals	Acquisitions	Disposals
Assets and liabilities of acquisitions and disposals				
Cash and cash equivalents			7	(6)
Financial investments				5
Investment property	34		33	
Investments in associates including capital (re)payments	202	(171)	427	(141)
Accrued interest and other liabilities	2		13	
Non-controlling interests	1		7	
Other		(5)		(27)
Net assets acquired / Net assets disposed of	**233**	**(176)**	**447**	**(115)**
Result of disposal, gross		24		66
Result on discontinued operations, net of taxes		24		66
Cash used for acquisitions / received from disposals:				
Total purchase consideration / Proceeds from sale	(233)	200	(447)	181
Less: Cash and cash equivalents acquired / divested			7	(6)
Cash used for acquisitions / received from disposals	**(233)**	**200**	**(440)**	**175**

4

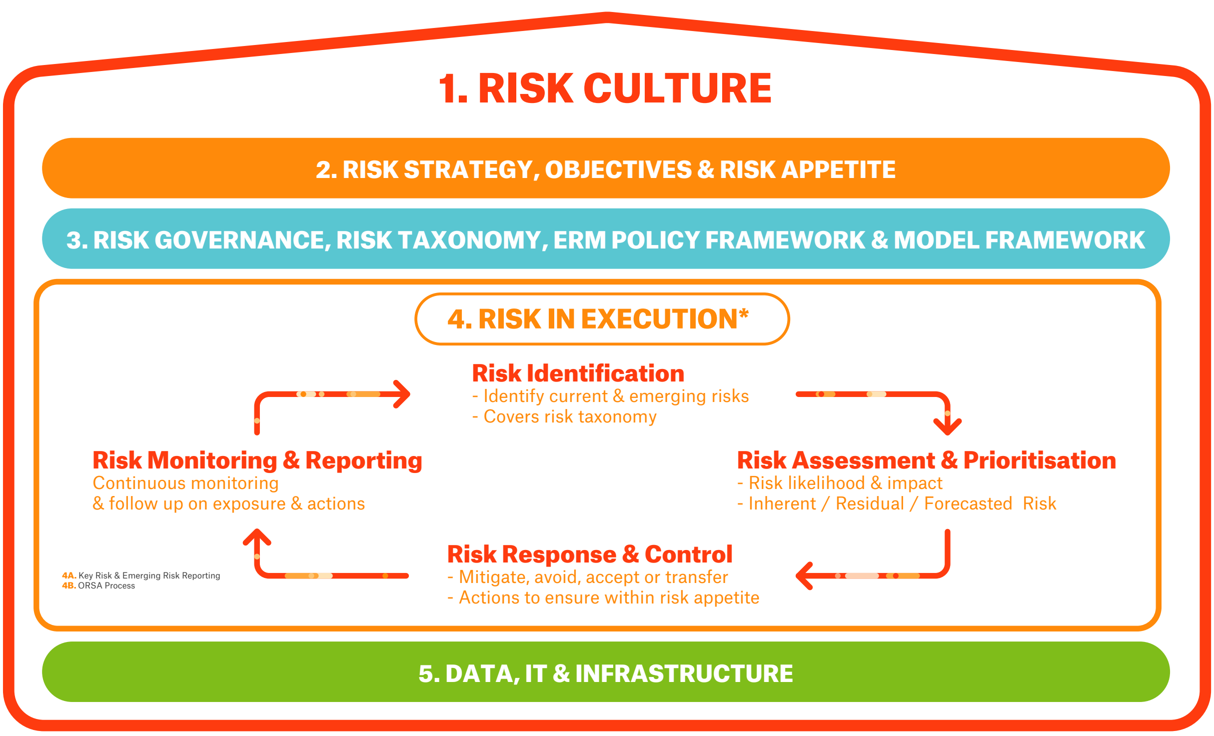
Risk Management

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' 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' commitment to its stakeholders, to society, as well as corporate and risk culture values).

The main objectives of Ageas 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.



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.

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' risk culture, outlined below, stems from Ageas corporate culture. The principles of corporate culture and key components of risk culture provide guidance to actions and decisions, and reflect the mind-set and attitude expected in the company.

The key elements of Ageas' 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

To help promote risk awareness and embed the risk culture values across the organisation, regular risk training (e.g. covering risk event types spanning Ageas risk taxonomy) and communications (e.g. via intranet, e-mail and other internal communication apps) are in place across the Group.

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.

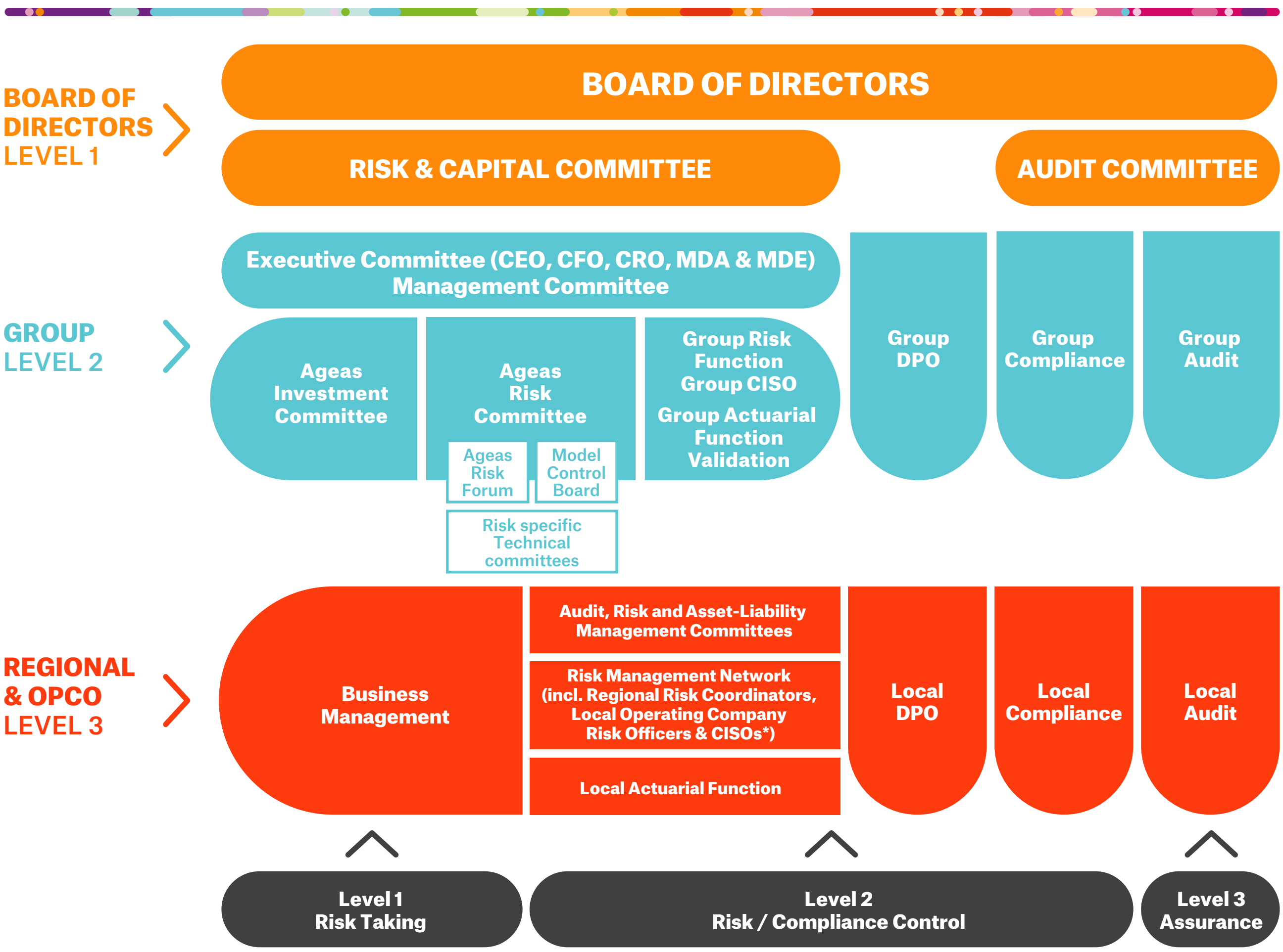
Ageas has established and implemented an Enterprise Risk Management ("ERM") framework inspired by COSO[4] ERM and Internal Control frameworks, which encompasses key components that act as a supporting foundation of the risk management system. ERM can be defined as the process of systematically and comprehensively 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.5 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 to ensure that they are managed in accordance with the risk framework and within agreed limits. 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 of the Group and ensures that risk mitigation 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 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 suited to the task they are used for. 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 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' 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;
- 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 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' 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' risk rating methodology. Likelihood and impact criteria (financial and non-financial) are used to determine a level of concern, which guides when actions need to be taken. Each region (set of OpCos and/or Joint Ventures with common regional oversight) and/or OpCo re-evaluates key risks on at least a quarterly basis, and the most significant risks are also monitored and reported on at Group level. The key outputs of the process are documented in a quarterly Group Top Risk Report.

The top key risks that Ageas faced during 2021 are:
- Volatile / unfavourable market movements (including impacts due to the COVID-19 pandemic).
- Interest Rate Risk: prolonged low interest rate / sudden rise of interest rate combined with mass lapses.
- Higher Inflation Risk.
- Information Security Risk (including cyber and data protection).

Volatile / unfavourable market movements (including impacts due to the COVID-19 pandemic)

The COVID-19 pandemic and its uncertain recovery path (including inflation trajectory and supply-chain issues) has increased volatile / unfavourable market movements.

Following the unprecedented and massive interventions taken from Central Banks and Governments to help stabilise some of the economic and financial consequences triggered by the pandemic, support measures are starting to be wound down. Consequences from increased deficits and debts are highly difficult to anticipate and measure.

The evolution of COVID-19 and its impacts have been closely monitored and assessed throughout 2021 and Ageas entities have demonstrated both financial and operational resilience amidst the unsettling circumstances caused by the pandemic.

Interest Rate Risk: prolonged low interest rate / sudden rise of Interest rate combined with mass lapses.

Central banks in advanced economies may keep interest rates low as governments struggle to manage their higher debt loads. Some are likely to tolerate higher inflation in future to achieve this aim. The biggest risk is a sudden increase in inflation without an increase in nominal interest rates (decreasing real interest rates).

Despite the increase observed over the first three quarters of 2021, interest rates remain at historically low/negative levels among others suffering from the downside pressure induced by the Covid-19 situation and the related monetary policies which further challenges the equilibria on which the Life Insurance business model is based.

These economic uncertainties give rise to the risk of potential losses from spread movements, equity market corrections, counterparty default and downgrades on the investment portfolio and potential broker and customer debt default.

Ageas has implemented actions to mitigate exposure to this risk.

Higher Inflation Risk

Major economies are currently experiencing inflation rates far above Central Bank targets. The debate is ongoing on whether this is a transitory rise triggered by supply-chain issues at the reopening of the global economy, or a more long-term effect.

The general increase in inflation is partially a consequence of the economic recovery observed lately, which has to adjust to the (probably temporary) bottlenecks in the production and transport processes during the lockdown periods. In parallel, other factors are clearly playing a role in this phenomenon, such as the energy price crisis – while in the past energy prices often fell at relatively the same pace as they rose, factors such as the Paris climate agreement, European Green Deal, Geo-Political tension (e.g. Ukraine-Russia, USA…), differing energy policies adopted by different states… could imply that fossil fuel prices will stay elevated and possibly continue to rise.

A sudden increase in inflation (resulting from post-Covid economic recovery) not immediately followed by an increase in the nominal interest rates (decreasing real interest rates) is considered to be an additional risk for insurers. A stress test was conducted for the 2021 ORSA.

Information Security (including cyber and data protection)

As global focus remains on the pandemic, cybercriminals continue their efforts to exploit the situation. Due to the COVID-19 situation, the majority of staff across our operating companies and JVs are working from home, which can increase our vulnerability to information security risk (including cyber risk). Whilst cybercrime activities / threats are heightened, no major successful cyber-attacks are reported across Ageas entities – education, vigilance and awareness of all staff is key to combatting cyber threats so naturally significant time and effort is spent on ensuring personnel are aware of the latest approaches that malicious actors may use.

Cyber security risks are mitigated by implementing and embedding the Group Information Security framework, which is part of the broader Enterprise Risk Management framework. Furthermore, a Group Information Security Community is established and chaired by the Group Chief Information Security Officer (CISO). This Community serves as a platform for the exchange of information and best practices regarding Information Security within Ageas Group operating companies, as well as the identification of synergies and common initiatives regarding Information Security.

A Security Operating Centre is established to facilitate a 24/7 overview of Ageas' critical infrastructure and enables security teams to respond immediately to any identified security threats – including cyber-attacks – which may have a critical impact on Ageas' business. Additionally, specific Ageas Group training programs on data and information security (in addition to continuous awareness and education initiatives) are in place to further strengthen Ageas' operational resilience.
A yearly information security assessment is performed based on the Information Security Forum Security HealthCheck (ISF SHC)[5]. The insurance worldwide result is used as a benchmark. The results of this assessment are reviewed and confirmed by an independent third-party. Each local Ageas entity agrees and defines local actions based on the results of this yearly assessment. Progress of these actions is monitored within the Information Security Community.

4.6.2 Emerging Risk Reporting (including sustainability risks)

Ageas has also implemented an Emerging Risk Process. This is a risk identification exercise to determine possible threats / risks that stem from emerging trends / opportunities for the business that, by their nature, are uncertain and difficult to quantify.
An Horizon Scan process led by Group Strategy occurs annually with stakeholders from across Group entities that make up a Think2030 working group, a forward looking strategically focused group. Identified emerging trends are then scored based on artificial intelligence, and the opinion of Ageas' employees. All these components support in building the Horizon Scan radar to define focus and priorities in Horizon Scan report. The Horizon Scan report, Regional / OpCo emerging risk radars and reports together with numerous external sources (insurance industry reports, forums, peer reports…) provide key inputs into the Emerging Risk Reporting Process.

Business relevant emerging risks are categorised using PESTLE methodology (Political, Economic, Social, Technological, Legal, Environmental), are assessed and managed using Ageas' emerging risk rating methodology where proximity and impact criteria are used to guide the most appropriate course of action. Regions / OpCos compile local emerging risk reports on an annual basis which feed into a Group Emerging Risk Report. 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 top (high proximity, major impact) Emerging Risks for Ageas as at end 2021 are:
- Cybercrime
- Future of work
- Societal sustainability and ethical way of doing business
- Environmental sustainability (climate change / extreme weather)

It should be noted that some of these emerging risks are also reported as key risks – the (currently) existing impacts of these risks are managed through the KRR process, whilst the emerging / future anticipated risk impacts are followed up through the emerging risk reporting process.

Cyber Crime (PESTLE category – Technological)
With the increased use of technology (Internet of Things, wearables, digitalization, cloud computing, etc.) and data becoming even more valuable, private and corporate data is subject to more cyberattacks. COVID 19 resulted in workforces across the globe working remotely from home or other locations with high reliance on computer systems, mobile devices and the internet to work. There is evidence that malicious actors are exploiting these vulnerabilities to their own advantage as cybercrime is on the rise. 'Silent cyber risk' is an area requiring specific focus – it includes the potential cyber-related losses stemming from traditional non-life policies that were as such not designed to cover cyber risk.

To date, actual impact on the business has been minimal and the reporting of this risk reflects industry-wide evidence that malicious activity is on the increase, and the importance of regularly reviewing and evolving controls against an ever-changing threat landscape. For example, the industry and the business have seen the number of phishing scams, the sending of fraudulent messages designed to trick a human victim into revealing sensitive information to the attacker or to deploy malicious software on the victim's infrastructure, continue to rise.

Please refer to the actions covered under the KRR 'Information Security (including cyber and data protection)'.

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5 ISF SHC is available in ISF Standard of Good Practice (SoGP) and/or ISO 27k formats. Global results for Ageas Group are reported in the ISF SoGP format comprising 17 chapters against which the assessment is performed.

Future of Work (PESTLE category – Social)
The growing adoption of AI in the workplace, expansion of the workforce (internal & external stakeholders, such as consultants, service providers,…), remote workforce, flex working, sustainability, dependency on technology, talent attraction & retention, unemployment, social shifts…are shaping the future of work.

COVID-19 has accelerated the pace at which companies are responding to and rethinking what the future of work should entail for their organisation. This contributes to an increasingly competitive market for talent attraction and retention. Factors such as sustainability and increased remote working may further result in companies downsizing or relocating office space (potential real estate portfolio impact). In the longer-term, it may be likely that people will increasingly co-work with machines & robotics – social aspects of the workplace may further deteriorate potentially leading to mental health issues, impacting overall well-being, human interactions and experiences.

With stakeholder engagement, Ageas has established projects and actions to collectively define what the future of work may entail. The future of work project, new way of working project, digital workplace project, and smart automation represent the key actions underway in this area.

Societal Sustainability & ethical ways of doing business (PESTLE category – Social)
Social sustainability is about identifying & managing business impacts on people (from employees & customers to communities).

Society is increasingly concerned about environmental and social issues, opting more towards conscious rather than conspicuous consumption. Maintaining a transparent and strong ethical way of doing business, supported by products, services, societal / environmental initiatives and actions are becoming more vital than ever to support long-term business viability and success.

In the event that the business does not evidence an ethical way of doing business in a growingly complex world (technological advances, big data, AI, global sustainability/ESG, supply chains, pandemics, viruses, cybercrime…) the long term viability of the business could be materially adversely impacted from regulatory, reputational and customer retention perspectives.

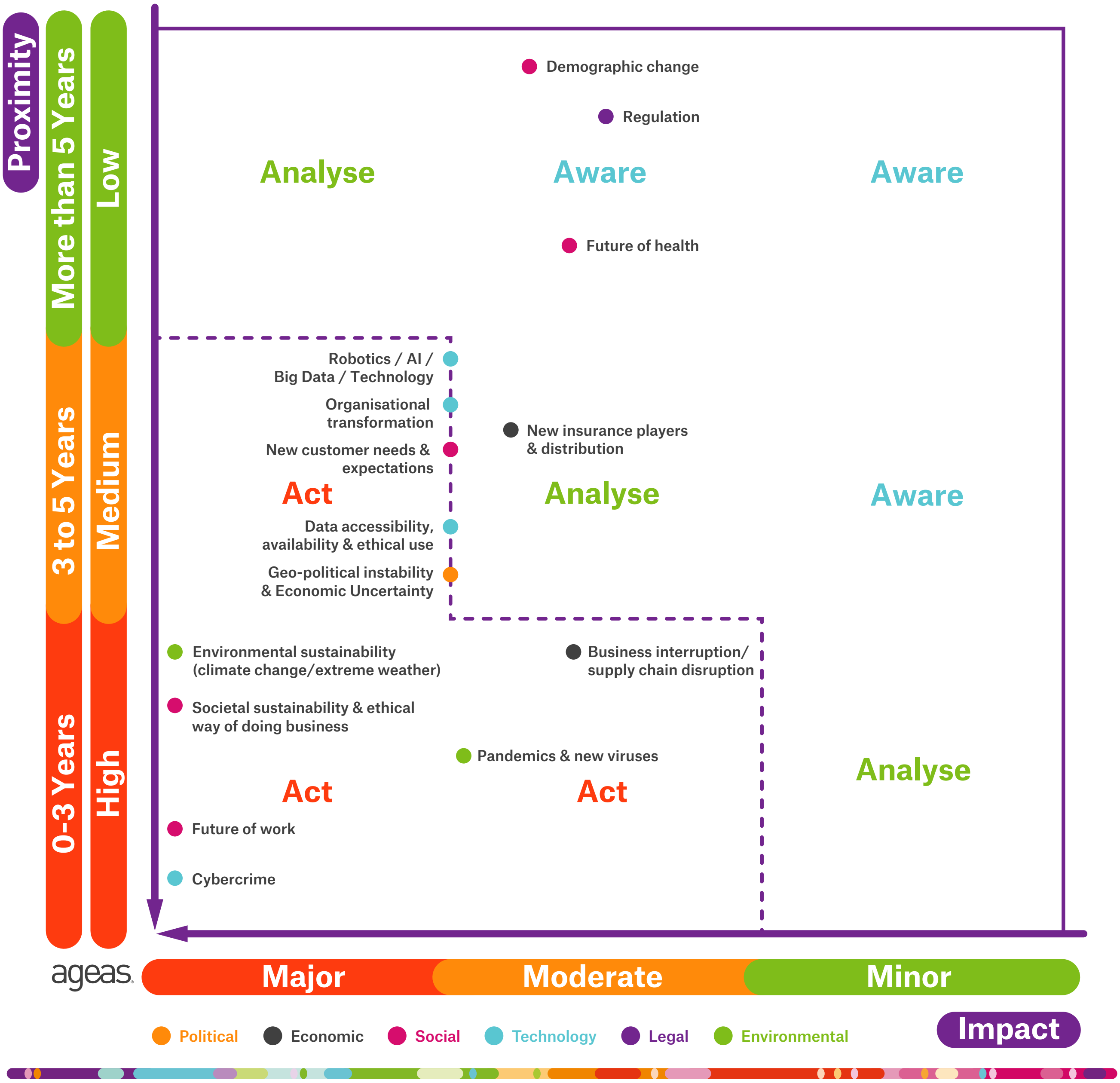
Ethical use of AI and Explainable AI are topics that are being prioritized in a Data Management & Governance Taskforce. Ethical & interpretable / explainable AI is being explored with respect to pricing where the exact needs of practitioners are being assessed. With respect to Sustainability, focused effort on the Sustainable Development Goals and in particular the Social element of ESG, responsible insurance, responsible investments and responsible operations is reported on in this report. With the launch of a new 3 year strategic cycle (‘Impact 24’), work is commencing on Product Innovation to achieve the target of 25% of GWP (Gross Written Premiums) coming from products stimulating our customers in the transition towards a more sustainable world by 2024 and 100% of products to be reviewed for transparency by 2024.

Environmental sustainability (climate change / extreme weather) (PESTLE category – Environmental)
Human activities change the earth's climate and are presently driving climate change through global warming. Extreme weather includes unexpected, unusual, unpredictable, severe, or unseasonal weather. Often, extreme events are based on a location's recorded weather history and defined as lying in the most unusual ten percent.

The ability of the global insurance industry to manage society’s risks is being threatened by climate change: more frequent extreme weather events are driving up uninsured losses and making certain assets uninsurable. More natural catastrophes are expected which can impact, for example, fire & household business lines but also profitability of the sector, with disaster-related costs becoming unsustainable. Furthermore, as the physical effects of climate change are contributing to more frequent and extreme global weather events, this will in turn have a direct impact on re/insurance, whereby reinsurers are likely to change their risk appetite.

As part of Ageas’ 3-year strategic cycle ‘Impact 24’, Ageas will take a long-term, responsible approach to how Ageas invests, contributing to solutions for sustainable cities, local economies and climate change. Ageas is also committed to GHG (Greenhouse gases) emission reduction - within this strategic impact area, Ageas has defined actions to reduce its environmental impact. Ageas also performed a scenario programme as part of the ORSA 2021 exercise – the approach and resulting actions are further detailed below in this section.

The Group Emerging Risk Radar below reflects the emerging risks most relevant to business activities that have been identified as part of the 2021 Emerging Risk Process:



Spotlight: Climate Change Risk Assessment

With its new strategy Impact 24, Ageas puts sustainability and long-term thinking at the heart of the Group's decision-making to make a positive and lasting impact for all stakeholders. In the new strategy, Ageas will strengthen the long-term, responsible approach to investment and reduce its environmental impact to become GHG-neutral in its own operations. While Management is convinced that these are critical steps to contribute to addressing the climate change challenges, Ageas strives to ensure an efficient management of the potential mid and long-term impacts of different climate change evolution and the implications for the insurance business and operations.

In 2021, for the first time, to better understand and manage the short-, medium-, and long-term risks from climate change and how they will affect its business model Ageas performed climate change stress testing as part of its ORSA process. Ageas defined its approach, based on the Bank of England's Prudential Regulation Authority (PRA) stress test approach in the Climate Biennial Exploratory Scenario (CBES).

Scenario definition

PRA 2021 Biennial Exploratory Scenario (BeS) served as inspiration for asset and liabilities stresses for transition and physical risks, considering type of investment and sector allocation.

The impacts of the three hypothetical climate scenarios cover a **30-year time horizon** on selected metrics of their business models and asset valuations:

- **Early Action:** the transition to a net-zero emissions economy starts in 2021 so carbon taxes and other policies intensify relatively gradually over the scenario horizon leading to a drop in global carbon dioxide emissions to net-zero around 2050. Global warming is limited to 1.8°C by the end of the scenario (2050) relative to pre-industrial levels. Some sectors are more adversely affected by the transition than others, but the overall impact on GDP growth is muted, particularly in the latter half of the scenario once a significant portion of the required transition has occurred and the productivity benefits of green technology investments begin to be realized.

- **Late Action**: the transition is delayed until 2031, at which point there is a sudden increase in the intensity of climate policy, leading to a successful reduction of greenhouse gas emissions to net-zero around 2050, but the transition required to achieve that is abrupt and therefore disorderly. Global warming is limited to 1.8°C by the end of the scenario (2050) relative to pre-industrial levels. The more compressed nature of the reduction in emissions results in material short-term macroeconomic disruption. This affects the whole economy but is particularly concentrated in carbon-intensive sectors.

- The **No Additional Action scenario**. In this scenario, **no new climate policies** are introduced beyond those already implemented prior to 2021. The Bank has calibrated that scenario based on the physical risks that might be expected to materialize in the period from 2050 to 2080 if no further policy action were taken. The absence of transition policies leads to a growing concentration of greenhouse gas emissions in the atmosphere and, as a result, global temperature levels continue to increase, reaching 3.3°C relative to pre-industrial levels by the end of the scenario. This leads to chronic changes in precipitation, ecosystems and sea-level. There is also a rise in the frequency and severity of extreme weather events such as heatwaves, droughts, wildfires, tropical cyclones and flooding. There are permanent impacts on living and working conditions, buildings and infrastructure. Changes in physical hazards are unevenly distributed with tropical and subtropical regions affected more severely. Many of the impacts from physical risks are expected to become more severe later in the 21st century and some will become irreversible. So the headwinds facing the economy would be expected to increase further into the future.

The CBES scenario specification builds upon a subset of the Network for Greening the Financial System (NGFS) climate scenarios, which aim to provide central banks and supervisors with a common starting point for analyzing climate risks under different future pathways. The Bank of England has expanded on the NGFS scenarios by including additional risk transmission channels and adding additional variables (working with climate scientists, academics and industry experts). As a result, the CBES scenarios are not identical to those produced by the NGFS, but they are consistent across many variables.

Both the Early Action & Late Action scenarios correspond the NGFS Zero 2050 scenario, with the difference being the suddenness of the transition shock, leading to additional economic dislocation in the Late Action scenario. The NGFS assumptions driving transitions risks were derived using the REMIND-MAgPIE 2.1-4.2 Integrated Assessment Model. Both scenarios roughly correspond to the RCP 2.6° pathway.

The No Additional Action corresponds to the NGFS Current Policy scenario, with the caveat that most of the physical risks manifesting beyond the 2050 horizon are brought forward, in order to include them in the stress test horizon. The underlying assumptions were obtained by considering the GCAM 5.3 Integrated Assessment Model at the 90th percentile, contrasting with the 50th percentile for the Early & Late Action scenarios. This scenario roughly corresponds to the RCP 6.0° pathway.

Impact assessment
Assessing these three scenarios allows Ageas to assess the financial impact via 2 primary channels:

- Physical risks: associated with an increase in claims and losses due to climatic events (such as floods, droughts, storms), and changes in climatic trends (such as changing weather conditions or sea level rise). Physical risks can be broken down into two categories:
  - **Acute** physical risks: those which arise from certain events, especially weather-related events (e.g. floods, storms)
  - **Chronic** physical risks: those which arise from longer-term shifts in climate patterns (e.g. temperature changes, rising sea levels, changing soil moisture)
- Transition risks are related to asset value losses and increased operating costs resulting from disruptions and shifts associated with a (sudden) transition from a carbon-intensive to a low-carbon economy.

With these scenarios, Ageas also considers EIOPA's recommendations published in April 2021 in their *Opinion on the supervision of the use of climate change risk scenarios in ORSA*, where insurance companies are recommended to identify material climate change risks and identify the materiality of the exposures to the risks through a combination of qualitative and quantitative analysis.

Given that materialisation of risks related to climate change will extend over the long term, the assessment is not limited to the multi-year budget horizon, but prolonged until 2050 by considering 6 reference years being 2026, 2031, 2035, 2040, 2045 and 2050[6].

For the assets, the impacts reflect an instantaneous sensitivity under the three scenarios coming with a shock by type of assets and sector, reflecting a higher impact for less sustainable sectors while allowing a lower impact for more sustainable sectors. Ageas also selected the relevant financial variables for the ORSA exercise namely government bonds, corporate bonds, risk-free rates, real estate and equity. Gross Value Added (GVA) paths are also considered for each individual industry sector, reflecting the degree of exposure of each individual sector to climate risks.

The impact assessment of climate change on the insurance liabilities was a local exercise with a focus on both qualitative and quantitative assessment. Physical risks are associated with an increase in claims and losses due to climatic events (such as floods, storms, …), and changes in climatic trends (such as changing weather conditions or sea level rise).

To support the process of developing models on Climate Change, for internal risk assessment and regulatory/rating agencies requests, Ageas also decided to collaborate with different external partners, considered to be leaders of climate change understanding in the insurance sector and notably in conducting specific quantitative exercises focusing on Natural Catastrophe for entities covered by the Non-life Internal Model in collaboration.

The results of the quantitative scenario analysis undertaken to assess the impact of physical risk on underwriting liabilities ultimately demonstrate that business-wide gross impacts on future peril (flood, subsidence, …) losses under all scenarios are considered manageable.

6 *2026 can be considered in this context as representative for the MYB horizon (2022-2026), 2031 is the pivotal year in the late action subscenario, while the others are based on 5-year periods until 2050. All the computations start from the balance sheet at Q2 2021, and therefore do not include any other movement in the fair value of assets than those foreseen in the subscenario. This is clearly not a realistic assumption for a long-term prevision, but it allows for comparability and shows the long-term vulnerability of the current asset mix to long term trends related to climate change.*

Mitigation actions
Different mitigation actions are already identified and considered in Ageas Risk management strategy, for both assets and liabilities.

- Impact24: Ageas Group Strategy commits to EUR10 billion of investments making a positive contribution to the transition towards a more sustainable world, and ESG to be considered in 100% of investments.
- The adherence to a Responsible Investment Framework which requires ESG to be integrated within the investment analysis and decision-making process.
- Investment Policy: Updated to include specific reference to climate risk identification, mitigation and monitoring.
- Judiciously choosing the sectors in which to invest. Given the fact that the sectors most resilient to physical risks are not necessarily the same as the sectors most resilient to transition risks, an arbitrage is to be operated in this choice.
- Reinsurance consideration to absorb claims cost for natural catastrophes. Natural catastrophe risks (particularly those arising from Flood and Storms) are already monitored on a regular basis at local level to ensure that Cat models and reinsurance mitigation remains appropriate to our risk profile.
- Short-term climate-related physical risk is heavily mitigated by the short-dated duration of liabilities, allowing for flexible risk selection and pricing accordingly, in particular for non-life insurance risk.
- External partnerships: Engagement with external firms considered to be leaders of climate change understanding in the insurance sector.
- 'New way of working' for employees. allowing our employees to work flexibly and remotely (limits the potential for natural catastrophes to compromise operations).

It is important to note that this exercise was the first Ageas has performed in this important area and the business will continue to (i) develop and expand climate change modelling to cover additional perils (such as wildfire, subsidence…) and potential impacts, and (ii) refine these initial modelling approaches to make outputs as meaningful as possible.

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 were a parallel stress of 100bps is considered.

	2021 Impact on income statement	2021 Impact on IFRS Equity	2020 Impact on income statement	2020 Impact on IFRS Equity
Interest - rate down	4	396	4	433
Interest - rate up	2	(1,407)	(8)	(1,389)

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. Earlier pro-active management of this risk has resulted in the rapid reduction in exposure to equity risk through sales and hedging. This helps to limit losses and to ensure that the insurance companies remain solvent throughout a financial crisis.

For risk management purposes, Ageas bases its definition of equity exposure on the economic reality of underlying assets and risks. Taking a risk based approach; the total economic exposure to equities at fair value is given in the table below together with the reconciliation to the IFRS reported figures.

	2021	2020
Type of asset		
Direct equity investments	3,058	2,523
Equity funds	916	691
Private equity	191	118
Asset allocation funds	39	41
Total Economic equity exposure	**4,204**	**3,373**
Debt funds	424	417
Money market funds	221	244
Real estate funds (SICAFI/REITS)	1,023	1,002
Total IFRS equity exposure	**5,872**	**5,036**
of which:		
Available for Sale (see note 10)	5,669	4,875
Held at Fair Value (see note 10)	203	161

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.

	2021 Impact on income statement	2021 Impact on IFRS Equity	2020 Impact on income statement	2020 Impact on IFRS Equity
Equity risk downwards	(281)	(1,262)	(170)	(888)

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	2021 Impact on IFRS Equity	Impact on income statement	2020 Impact on IFRS Equity
Spread risk – Credit spread widening	(14)	(1,291)	(15)	(1,385)

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 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	

At 31 December 2020	HKD	GBP	USD	CNY	INR	MYR	PHP	THB	VND	RON	TRY	Other
Total assets	343	3,639	963	2,078	284	462	95	1,271	17	29	67	67
Total liabilities	10	2,620	1							1		5
Total assets minus liabilities	333	1,019	962	2,078	284	462	95	1,271	17	28	67	62
Off balance		(21)	(462)									
Net position	333	998	500	2,078	284	462	95	1,271	17	28	67	62
Of which invested in subsidiaries and equity associates	324	1,003	64	2,078	269	462	54	1,271	17	29	67	

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.

	2021	2020
Type of asset		
Carrying amount		
Investment properties (see note 11)	3,117	2,889
PP&E: land and buildings for own use and Car parks (see note 16)	1,592	1,678
Property intended for sale (see note 15)	323	228
Total (at amortised cost)	**5,032**	**4,795**
Real estate funds (at fair value)	1,023	1,002
Total IFRS real estate exposure	**6,055**	**5,797**
Unrealised capital gain (Economic exposure)		
Investment properties (see note 11)	1,249	1,270
PP&E: land and buildings for own use (see note 16)	723	623
Total Economic real estate exposure	**8,027**	**7,690**

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	2021 Impact on IFRS Equity	Impact on income statement	2020 Impact on IFRS Equity
Property risk downwards	(203)	(307)	(189)	(281)

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 amount of impairments due to a bankruptcy or failure to pay.

Avoidance of concentration is therefore fundamental to Ageas 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. 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 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
UK	340	1,142	1,708		38	3,228
Continental Europe	6,344	2,539	712	20	82	9,697
- France	2,014	792	51	20	22	2,899
- Portugal	4,330	1,747	661		60	6,798
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**

31 December 2020	Government and official Institutions	Credit Institutions	Corporate Customers	Retail Customers	Other	Total
Belgium	36,168	16,502	6,820	1,619	81	61,190
UK	332	1,127	1,578		39	3,076
Continental Europe	6,867	3,017	669	22	92	10,667
- France	*2,192*	*889*	*70*	*22*	*42*	*3,215*
- Portugal	*4,675*	*2,128*	*599*		*50*	*7,452*
Asia		4			1	5
Reinsurance	500	833	114		8	1,455
General Account and eliminations		1,210	(1,435)		211	(14)
Total	**43,867**	**22,693**	**7,746**	**1,641**	**432**	**76,379**

* *The line 'General Account and eliminations' in 2021 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 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
UK	235	1,415	905		37	2,592
Continental Europe	19,700	13,512	5,730	20	46	39,008
- France	6,193	4,265	1,362	20	22	11,862
- Portugal	2,530	255	241		21	3,047
- 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**

31 December 2020	Government and official institutions	Credit Institutions	Corporate Customers	Retail Customers	Other	Total
Belgium	22,153	2,281	1,833	1,619	245	28,131
UK	216	1,544	820		48	2,628
Continental Europe	21,388	15,204	5,075	22	82	41,771
- France	6,706	4,769	1,337	22	57	12,891
- Portugal	2,882	352	166		10	3,410
- Other	11,800	10,083	3,572		15	25,470
Asia		279			1	280
Other countries	110	3,385	18		56	3,569
Total	**43,867**	**22,693**	**7,746**	**1,641**	**432**	**76,379**

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-	20,069	15,166
French Republic	AA	6,274	4,777
Portuguese Republic	BBB	3,792	3,119
Kingdom of Spain	A-	2,418	1,797
Republic of Austria	AA+	2,307	1,744
Republic of Italy	BBB	1,541	1,537
Federal Republic of Germany	AAA	1,446	1,101
BNP Paribas SA	A+	1,039	834
EUROPEAN INVESTMENT BANK	AAA	1,106	918
European Financial Stability Facility (EFSF)	AA+	771	613
Total		**40,763**	**31,606**

The Kingdom of Belgium remains the top counterparty in line with the strategy to ‘redomesticate’ at the cost of increasing the risk towards the home country.

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.

			2021			2020
	Impaired outstanding	Impairments for specific credit risk	Coverage ratio	Impaired outstanding	Impairments for specific credit risk	Coverage ratio
Interest bearing investments (see note 10)	6	(21)	350.0%	10	(22)	220.0%
Loans (see note 12)	43	(25)	58.1%	48	(26)	54.2%
Other receivables (see note 14)	32	(52)	162.5%	34	(54)	158.8%
Total impaired credit exposure	**81**	**(98)**	**121.0%**	**92**	**(102)**	**110.9%**

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.

	2021 Carrying value	2020 Carrying value
Investment grade		
AAA	1,402	1,361
AA	2,335	2,235
A	2,262	2,119
BBB	331	170
Investment grade	6,330	5,885
Below investment grade		
Unrated	7,016	6,363
Residential mortgages	1,175	1,179
Total investments in loans, gross	14,521	13,427
Impairments	(29)	(29)
Total investments in loans, net (see note 12)	**14,492**	**13,398**

2 Interest bearing investments

The table below outlines the credit quality of interest bearing investments showing a constant proportion of investment grade investments as at 31 December.

	2021 Carrying value	2020 Carrying value
Investment grade		
AAA	4,010	4,359
AA	27,883	31,065
A	6,432	8,907
BBB	13,820	12,385
Investment grade	52,145	56,716
Below investment grade	195	277
Unrated	1,734	1,665
Total investments in interest bearing securities, net	54,074	58,658
Impairments	21	22
Total investments in interest bearing securities, gross (see note 10)	**54,095**	**58,680**

GOVERNMENT BONDS

The table below provides information on the credit quality of government bonds.

	31 December 2021	31 December 2020
By IFRS classification		
Available for sale	31,140	34,302
Held at fair value through profit or loss		
Held to maturity	4,351	4,416
Total government bonds (see note 10)	**35,491**	**38,718**
By rating		
AAA	2,251	2,273
AA	25,546	28,261
A	1,269	3,604
BBB	6,381	4,532
Total investment grade	35,447	38,670
Below investment grade	25	27
Unrated	19	21
Total non-investment grade and unrated	44	48
Total government bonds	**35,491**	**38,718**

CORPORATE BONDS

The table below provides information on the credit quality of corporate bonds.

	31 December 2021	31 December 2020
By IFRS classification		
Available for sale	11,680	12,526
Total corporate bonds (see note 10)	**11,680**	**12,526**
By rating		
AAA	40	41
AA	648	876
A	3,617	3,687
BBB	6,368	6,781
Total investment grade	10,674	11,385
Below investment grade	163	239
Unrated	843	902
Total non-investment grade and unrated	1,006	1,141
Total corporate bonds	**11,680**	**12,526**

BANKS AND OTHER FINANCIALS

The table below provides information on the credit quality of banks and other financial institutions.

	31 December 2021	31 December 2020
By IFRS classification		
Available for sale	6,715	7,229
Held at fair value through profit or loss	134	130
Total banking and other financials (see note 10)	**6,849**	**7,359**
By rating		
AAA	1,719	2,037
AA	1,674	1,916
A	1,544	1,604
BBB	1,070	1,072
Total investment grade	6,007	6,629
Below investment grade	7	10
Unrated	835	720
Total non-investment grade and unrated	842	730
Total banks and other financials	**6,849**	**7,359**

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, diversfied 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.

Causes of liquidity risk in the operating companies 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.

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

Net cash outflows from insurance liabilities as at 31 December 2020	Year 1 2021	Year 2 2022	Year 3 2023	Year 4 2024	Year 5 2025
Policyholder liabilities, excluding unit-linked business, net of reinsurance	7,243	6,559	5,891	5,720	4,233

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.

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 at local level 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.

Insurance companies 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).

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's insurance companies 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 2021	31 December 2020
Life Underwriting Risk	944	842
Health Underwriting Risk	338	331
Non-Life Underwriting Risk	875	796

4.7.2.1 Life underwriting risks

The 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 the pricing include prudential margins. As per industry practice, Ageas's operating companies 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 workmen's compensation. Ageas insurance companies 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's insurance companies 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[7], Ageas draws from reliable (external or other) sources and assessments while respecting its Risk position.

To mitigate the claims risk, Ageas's insurance companies 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's insurance companies also benefits 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.

7 *E.g. ENID (Events not in data) events.*

E. MANAGEMENT OF NON-LIFE RISKS AT AGEAS INSURANCE COMPANIES

The management of Non-life risk at Ageas follows underwriting and risk taking management instructions and guidance issued at each Non-life entity of the Group. This includes, amongst other things, risk acceptance rules, claims guidance, reinsurance taking activity and management.

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 with a target below 96%. 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 2021	Impact on pre-taxation result at 31 December 2020
Expenses -10%	145	123
Claims costs 5%	(126)	(107)

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 2021.

The loss reserve development table per accident year is as follows.

Accident Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Payments at:										
N	1,046	997	1,107	1,083	1,327	1,235	1,241	1,257	1,182	1,449
N + 1	494	503	512	522	506	520	534	498	437	
N + 2	120	115	131	135	123	118	130	130		
N + 3	90	75	82	103	90	94	83			
N + 4	67	60	62	51	72	62				
N + 5	51	31	51	48	44					
N + 6	21	18	23	17						
N + 7	16	18	4							
N + 8	12	8								
N + 9	9									
Cost of claims: (Cumulative Payments + Outstanding claims reserves)										
N	2,102	2,082	2,184	2,176	2,618	2,384	2,369	2,418	2,224	2,645
N + 1	2,069	2,027	2,168	2,160	2,618	2,359	2,409	2,308	2,157	
N + 2	2,072	1,968	2,168	2,215	2,513	2,330	2,373	2,388		
N + 3	2,048	1,951	2,183	2,149	2,401	2,271	2,301			
N + 4	2,070	1,984	2,144	2,098	2,386	2,263				
N + 5	2,074	1,971	2,101	2,105	2,360					
N + 6	2,056	1,943	2,091	2,101						
N + 7	2,042	1,934	2,067							
N + 8	2,041	1,929								
N + 9	2,031									
Ultimate loss, estimated at initial date	2,102	2,082	2,184	2,176	2,618	2,384	2,369	2,418	2,224	2,645
Ultimate loss, estimated at prior year	2,041	1,934	2,091	2,105	2,386	2,271	2,373	2,308	2,224	
Ultimate loss, estimated at current year	2,031	1,929	2,067	2,101	2,360	2,263	2,301	2,388	2,157	2,645
Surplus (deficiency) current year vs initial accident year	71	153	117	75	258	121	68	30	67	
Surplus (deficiency) current year vs prior year	10	5	24	4	26	8	72	(80)	67	

Outstanding claims reserves prior to 2012	482
Outstanding claims reserves from 2012 to 2021	3,428
Other claims liabilities (not included in table)	2,178
Claims with regard to workers' compensation and health care	1,563
Total claims reserves in the statement of financial position	**7,649**

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 2020.

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.

The main insurance risk event in 2021 have been the July floods, which can be considered as the largest natural catastrophe in the recent history of Belgium. Their total cost at the level of the Belgian market is estimated to exceed 2 billion. These amounts go well beyond the limit for flood coverage foreseen in the Belgian law since 2006, which is currently EUR 350 million aggregated at the level of the Belgian market. Current estimates of the return period of this event vary, but external scientific studies mention a return period of 400 years. Note however that this return period can be significantly influenced by climate change. Given the exceptional nature of the event, the Belgian insurance companies and the regional governments reached an agreement, in which the insurance companies increased their intervention to twice the legal limit and the regional governments agreed to cover the excess costs up to a certain amount. Moreover the cost to be compensated by the regions is prefinanced by the insurers via a loan to the Walloon region and via a quarterly settlement for the other two regions. At the end of the year this loan to the Walloon region amounted to EUR 103.5 million. Note that if the total claims cost goes beyond the amount mentioned in the agreement further negotiations will take place, meaning that at closing date there still persists an uncertainty on how the charges related to these excess claims will be shared.

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.

One of the top operational risks faced by Ageas Group in 2021 has remained information security risk (including cyber and data protection). Further details are provided in section 4.6.

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 2021 were Interest Rate Risk: prolonged low interest rate / sudden rise of interest rate combined with mass lapses, 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 axis:

- 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.

Sustainability risks are part of the risk taxonomy, and risks are considered through the risk in execution cycle within the Ageas Key Risk Reporting (KRR) and Emerging Risk Reporting Processes. Additionally, climate change stress tests were performed in the 2021 ORSA.

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.

Ageas incorporated an internal reinsurer Intreas N.V. and obtained in June 2015 a licence in the Netherlands. In 2018, Ageas obtained a life and non-life licence for ageas SA/NV in Belgium. Business of Intreas N.V. was fully transferred to ageas SA/NV in the course of 2019 and Intreas N.V. was liquidated.

The rationale of obtaining a licence for ageas SA/NV is 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, Portugal;
- Ageas Seguros Non-Life, Portugal;
- Medis, Portugal;
- Ageas France;
- Specific NCPs (non-controlled participations), e.g. Thailand, Turkey and India.

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.

Since the transfer of the business from Intreas to ageas SA/NV, the governance was adapted in order to respect and operate within the Ageas Risk Management Framework and to set up control on processes following Group standards.

The table below provides details of risk retention by product line of Ageas (in EUR mio).

2021	Probable Maximum Loss per risk	Probable Maximum Loss per event
Product		
Motor, Third Party liability	4	4
Terrorism	4	43
Property	4	99
General Third Party Liability	4	7
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. The European equity associates are included pro rata, without any diversification benefits, while non-European equity associates are excluded from own funds and required solvency, as the applicable solvency regimes are deemed non-equivalent with Solvency II. After Tesco Underwriting's disposal in Q2 2021, Ageas has no European equity associate included pro rata. In Q4 2021, AgeSA, the Turkish equity associate purchased in May 2021, entered 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 2021	31 December 2020
IFRS Equity	**14,172**	**13,774**
Shareholders' equity	11,914	11,555
Non-controlling interest	2,258	2,219
Qualifying Subordinated Liabilities	**2,807**	**2,936**
Scope changes at IFRS value	**(5,646)**	**(5,326)**
Exclusion of expected dividend	(495)	(485)
Proportional consolidation	(295)	(296)
Derecognition of Equity Associates	(4,856)	(4,545)
Valuation differences - (unaudited)	**(2,348)**	**(2,472)**
Revaluation of Property Investments	1,783	1,667
Derecognition of parking concessions	(407)	(360)
Derecognition of goodwill	(610)	(596)
Revaluation of Insurance related balance sheet items - (unaudited) (Technical Provisions, Reinsurance Recoverables, VOBA and DAC)	(7,036)	(8,137)
Revaluation of assets which, under IFRS are not accounted for at fair value (Held to Maturity Bonds, Loans, Mortgages)	3,384	4,442
Tax impact on valuation differences	521	617
Other	17	(106)
Total Solvency II Own Funds - (unaudited)	**8,985**	**8,912**
Non Transferable Own Funds	(1,029)	(1,043)
Total Eligible Solvency II Own Funds - (unaudited)	**7,956**	**7,869**
Group Required Capital under Partial Internal Model (SCR) - (unaudited)	4,226	3,962
Capital Ratio	**188.3%**	**198.6%**

	31 December 2021	31 December 2020
Total Eligible Solvency II Own Funds, of which - (unaudited):	**7,956**	**7,869**
Tier 1	5,205	5,048
Tier 1 restricted	1,164	1,205
Tier 2	1,524	1,537
Tier 3	63	79

Own Funds increased from EUR 7,869 million at Q4 2020 to EUR 7,956 million at Q4 2021 explained by the dividend payment of participations in Asia not included in SII, the operational performance of the insurance business and favourable financial market movements (interest rates and equities, largely offset by inflation). Own funds were also impacted by the Share Buy Back and the expected outgoing dividends.

Non-transferable Own Funds relate to third party interests.

The composition of the capital solvency requirements can be summarised as follows:

	31 December 2021	31 December 2020
Market Risk	5,000	4,648
Counterparty Default Risk	323	325
Life Underwriting Risk	944	842
Health Underwriting Risk	338	331
Non-Life Underwriting Risk	875	796
Diversification between above mentioned risks	(1,673)	(1,549)
Non Diversifiable Risks	552	537
Loss-Absorption through Technical Provisions	(1,378)	(1,193)
Loss-Absorption through Deferred Taxes	(755)	(774)
Group Required Capital under Partial Internal Model (SCR) - (unaudited)	**4,226**	**3,962**
Impact of Non-Life Internal Model on Non-Life Underwriting Risk	226	245
Impact of Non-Life Internal Model on Diversification and other risks	(117)	(122)
Impact of Non-Life Internal Model on Loss-Absorption through Deferred Taxes	12	8
Group Required Capital under the SII Standard Formula - (unaudited)	**4,347**	**4,093**

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 as being necessary to fund 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 2021	31 December 2020
Group Partial Internal Model SCR	**4,226**	**3,962**
Exclude impact General Account	(101)	(71)
Insurance Partial Internal Model SCR	**4,125**	**3,891**
Impact of Real Estate Internal Model	(184)	(271)
Additional Spread Risk	252	623
Less Diversification	(13)	11
Less adjustment Technical Provision	(156)	(80)
Less Deferred Tax Loss Mitigation	9	(72)
Insurance SCR ageas	**4,033**	**4,103**

	31 December 2021	31 December 2020
Group Eligible Solvency II Own Funds under Partial Internal Model	**7,956**	**7,869**
Exclusion of General Account	(204)	(289)
Revaluation of Technical Provision	(112)	(221)
Recognition of Parking Concessions	399	362
Recalculation of Non Transferable	(107)	40
Group Eligible Solvency II ageas Own Funds	**7,932**	**7,761**

Insurance SCR_{ageas} decreased from EUR 4,103 million at Q4 2020 to EUR 4,033 million at Q4 2021 mainly explained by the following drivers:

- **Market risk** increased due to new investments in equity and property risks mainly offset by a credit model change introduced in Belgium in Q4 2021. The re-risking demonstrates the ongoing search for yield, but is applied withing the predefined risk appetite limits.
- **Life and non-life underwriting risks** increased mainly due to higher lapse, expense and catastrophe risks.
- These increases were more than offset 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 increase in SCR due to the addition of AgeSA was partially offset by the decrease in SCR after the disposal of Tesco Underwriting.

		31 December 2021			31 December 2020	
	Own Funds	SCR	Solvency Ratio	Own Funds	SCR	Solvency Ratio
Belgium	6,116	2,884	212.1%	5,882	3,019	194.8%
UK	751	431	174.2%	840	463	181.5%
Continental Europe	1,172	728	161.0%	1,051	634	165.8%
Reinsurance	905	405	223.3%	832	407	204.4%
General Account including elimination and diversification	904	211		1,035	161	
Non-transferable own funds / Diversification	(1,713)	(531)		(1,583)	(513)	
Total Ageas	**8,135**	**4,128**	**197.1%**	**8,057**	**4,171**	**193.2%**

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.

	2021	2020
Post-employment benefits - defined benefit plans - pensions	727	825
Other post-employment benefits	137	153
Other long-term employee benefits	17	18
Termination benefits	5	4
Total net defined benefits liabilities (assets)	**886**	**1,000**

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 11 million in 2021 (2020: 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 2021 (1.75% on 1 January 2020).

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	
	2021	2020	2021	2020
Present value of funded obligations	294	307		
Present value of unfunded obligations	785	862	137	153
Defined benefit obligation	**1,079**	**1,169**	**137**	**153**
Fair value of plan assets	(363)	(353)		
	716	**816**	**137**	**153**
Asset ceiling / minimum funding requirement	10	8		
Other amounts recognised in the statement of financial position	1	1		
Net defined benefit liabilities (assets)	**727**	**825**	**137**	**153**
Amounts in the statement of financial position:				
Defined benefit liabilities	808	870	137	153
Defined benefit assets	(81)	(45)		
Net defined benefit liabilities (assets)	**727**	**825**	**137**	**153**

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 (2021: EUR 544 million; 2020: EUR 531 million), resulting in a net liability of EUR 184 million in 2021 (2020: EUR 294 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	
	2021	2020	2021	2020
Net defined benefit liabilities (assets) as at 1 January	**825**	**742**	**153**	**140**
Total defined benefit expense	58	59	5	5
Employer's contributions	(4)	(3)		
Participants' contributions paid to the employer	2	2		
Benefits directly paid by the employer	(40)	(37)	(3)	(3)
Foreign exchange differences	(2)	1		
Other	1	1		
Remeasurement	(113)	60	(18)	11
Net defined benefit liabilities (assets) as at 31 December	**727**	**825**	**137**	**153**

The table below shows the changes in the defined benefit obligation.

	Defined benefit pension plans		Other post-employment benefits	
	2021	2020	2021	2020
Defined benefit obligation as at 1 January	**1,169**	**1,071**	**153**	**140**
Current service cost	57	53	4	4
Interest cost	5	10	1	1
Past service cost - vested and non-vested benefits		2		
Remeasurement	(112)	93	(18)	11
Participants' contributions paid to the employer	2	2		
Benefits paid	(18)	(13)		
Benefits directly paid by the employer	(40)	(37)	(3)	(3)
Foreign exchange differences	16	(12)		
Defined benefit obligation as at 31 December	**1,079**	**1,169**	**137**	**153**

The following table shows the changes in the fair value of plan assets.

Defined benefit pension plans	2021	2020
Fair value of plan assets as at 1 January	**353**	**343**
Interest income	4	5
Remeasurement (return on plan assets, excluding effect of interest rate)	3	29
Employer's contributions	2	2
Benefits paid	(16)	(12)
Foreign exchange differences	18	(13)
Other	(1)	(1)
Fair value of plan assets as at 31 December	**363**	**353**

The following table shows the changes in the asset ceiling and/or minimum funding requirement.

	2021	2020
Asset ceiling / minimum funding requirement as at 1 January	**8**	**12**
Remeasurement	2	(4)
Asset ceiling / minimum funding requirement as at 31 December	**10**	**8**

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	
	2021	2020	2021	2020
Current service cost	57	53	4	4
Net interest cost	1	5	1	1
Past service cost - vested and non-vested benefits		2		
Settlements		(1)		
Total defined benefit expense	**58**	**59**	**5**	**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	
	2021	2020	2021	2020
Return on plan assets, excluding effect of interest rate	(3)	(29)		
Remeasurement on asset ceiling / minimum funding requirement	2	(4)		
Actuarial (gains) losses with regard to:				
change in demographic assumptions	(7)			14
change in financial assumptions	(86)	96	(16)	
experience adjustments	(19)	(3)	(2)	(3)
Remeasurement on net defined liability (asset)	**(113)**	**60**	**(18)**	**11**

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.

2021	Defined benefit pension plans	Other post-employment benefits
Weighted average duration of defined benefit obligation	15	23

The following table shows the principal actuarial assumptions made for the eurozone countries.

	Defined benefit pension plans				Other post-employment benefits			
	2021		2020		2021		2020	
	Low	High	Low	High	Low	High	Low	High
Discount rate	0.3%	1.1%	0.0%	0.6%	1.0%	1.2%	0.5%	0.6%
Future salary increases (price inflation included)	1.5%	4.2%	1.5%	4.1%				
Future pension increases (price inflation included)	1.5%	1.8%	1.5%	1.7%				
Medical cost trend rates					2.0%	3.8%	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 0.28% to 1.14%. The future salary increases varied in 2021 from 1.50% for the older employee group to 4.20% for the younger ones.

The following table shows the principal actuarial assumptions made for other countries.

Defined benefit pension plans	2021	2020
Discount rate	1.8%	1.3%
Future salary increases (price inflation included)		

The eurozone represents 80% 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	
	2021	2020	2021	2020
Defined benefit obligation	1,079	1,169	137	153
Effect of changes in assumed discount rate:				
One-percent increase	(13.0%)	(13.0%)	(19.3%)	(19.5%)
One-percent decrease	16.1%	16.3%	25.3%	25.8%
Effect of changes in assumed future salary increase:				
One-percent increase	12.4%	11.4%		
One-percent decrease	(10.2%)	(9.4%)		
Effect of changes in assumed pension increase:				
One-percent increase	9.0%	8.8%		
One-percent decrease	(7.8%)	(7.6%)		

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
	2021	2020
Defined benefit obligation	136	153
Effect of changes in assumed medical costs and trend rates:		
One-percent increase	26.9%	25.1%
One-percent decrease	(20.0%)	(18.7%)

The asset mix of the plan assets for pension obligations is as follows.

	31 December 2021	%	31 December 2020	%
Equity securities	41	11.3%	65	18.4%
Debt securities	230	63.4%	157	44.5%
Insurance contracts	27	7.4%	30	8.5%
Real estate	29	8.0%	41	11.6%
Cash	4	1.1%	6	1.7%
Other	32	8.8%	54	15.3%
Total	363	100.0%	353	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 2021	%	31 December 2020	%
Equity securities	39	7.0%	35	6.4%
Debt securities	431	77.1%	432	79.3%
Insurance contracts	15	2.7%	14	2.6%
Real estate	58	10.4%	57	10.5%
Convertible bonds	13	2.3%	10	1.8%
Cash	3	0.5%	(3)	(0.6%)
Total	**559**	**100.0%**	**545**	**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 2021 are as follows.

	Defined benefit pension plans
Expected contribution next year to plan assets	15
Expected contribution next year to unqualified plan assets	45

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).

	2021	2020
Defined benefit obligation	17	18
Net defined benefit liabilities (assets)	**17**	**18**

The following table shows the changes in liabilities for other long-term employee benefits during the year.

	2021	2020
Net liability as at 1 January	18	17
Total expense		1
Benefits directly paid by the employer	(1)	
Net liability as at 31 December	17	18

The table below provides the range of actuarial assumptions applied when calculating the liabilities for other long-term employee benefits.

		2021		2020
	Low	High	Low	High
Discount rate	0.32%	0.70%	0.03%	0.29%
Future salary increases	2.10%	4.20%	2.00%	4.10%

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).

	2021	2020
Current service cost	1	1
Net actuarial losses (gains) recognised immediately	(1)	
Total expense		**1**

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).

	2021	2020
Defined benefit obligation	5	4
Net defined benefit liabilities (assets)	**5**	**4**

The following table shows the changes in liabilities for termination benefits during the year.

	2021	2020
Net liability as at 1 January	**4**	**5**
Total expense	2	1
Benefits directly paid by the employer	(1)	(2)
Net liability as at 31 December	**5**	**4**

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).

	2021	2020
Current service cost	2	1
Total expense	**2**	**1**

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. 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 5.7.11.

For 2017 a total of 71,870 performance shares were committed to be granted, for 2018 a total of 35,612 performance shares were committed to be granted, for 2019 a total of 51,393 shares were committed to be granted and for 2020 a total of 53,269 performance shares were committed to be granted.

For performance year 2021 a total of 53,918 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)	2022	2021
Number of restricted shares committed to be granted as at 1 March	**194**	**212**
Restricted shares (cancelled)		
Restricted shares vested		(72)
Number of restricted shares committed to be granted as at 31 December		**140**

6.2.2 Share-linked incentives

In 2019, 2020 and 2021 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 125,160 Ageas shares on 1 April 2022 (plan 2019);
- 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).

The liability of these cash-settled transactions is determined at fair value at each reporting date.

6.3 Remuneration of the Board of Directors and Executive Committee Members

6.3.1 Remuneration of the Board of Directors

Changes in the Board of Directors in 2021

The Board of Directors currently consists of fourteen 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 and Jean-Michel Chatagny 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.

Lionel Perl and Jan Zegering Hadders stepped down as Members of the Board at the General Meeting of Shareholders on 19 May 2021 and Jean-Michel Chatagny was appointed as Member of the Board of ageas SA/NV at the same meeting.

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 S.A and Yvonne Lang Ketterer and Sonali Chandmal are member 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 S.A.

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 1.48 million in the 2021 financial year (2020: EUR 1.77 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 2021 is detailed in the table below. The number of Ageas shares held by Board Members at 31 December 2021 is reported in the same table.

Incumbent Name (1)	Function (2)	Fixed fees 2021	Attendance fees 2021	Total (4)	Ageas Shares at 31/12/2021
Bart De Smet	Chairman	120,000	37,500	157,500	37,121
Guy de Selliers de Moranville	Vice-chairman	60,000	42,000	102,000	264,390 (5)
Lionel Perl	Non-executive Board member	25,000	13,000	38,000	-
Jan Zegering Hadders	Non-executive Board member	25,000	16,000	41,000	-
Yvonne Lang Ketterer	Non-executive Board member	60,000	44,000	104,000	-
Richard Jackson	Non-executive Board member	60,000	42,500	102,500	-
Jane Murphy	Non-executive Board member	60,000	34,000	94,000	-
Lucrezia Reichlin	Non-executive Board member	60,000	34,000	94,000	-
Katleen Vandeweyer	Non-executive Board member	60,000	29,000	89,000	-
Sonali Chandmal	Non-executive Board member	60,000	33,000	93,000	-
Jean-Michel Chatagny	Non-executive Board member	35,000	23,500	58,500	-
Hans De Cuyper	Chief Executive Officer (CEO) (3)	-	-	see infra	6,145
Christophe Boizard	Chief Financial Officer (CFO) (3)	-	-	see infra	26,548
Filip Coremans	Managing Director Asia (MD Asia) (3)	-	-	see infra	13,501
Antonio Cano	Managing Director Europe (MD Europe) (3)	-	-	see infra	16,076
Emmanuel Van Grimbergen	Chief Risk Officer (CRO) (3)	-	-	see infra	8,554
Total		**625,000**	**348,500**	**973,500**	**372,335**

(1) Jean-Michel Chatagny joined the board as of 01/05/2021. Lionel Perl and Jan Zegering Hadders stepped down at 01/05/2021.

(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. This number includes a correction compared to past publications. Mr. de Selliers confirmed that this correction has to be made because of a practical mistake and confirmed that there were no transactions made by this trust in Ageas shares in the course of 2021

The remuneration received by Board of Directors Members in 2021 for their mandates in subsidiaries of Ageas is mentioned in the table below.

Incumbent Name (1)	Function	Fixed fees 2021	Attendance fees 2021	Total (2)
Bart De Smet	Chairman	41,250	12,000	53,250
Guy de Selliers de Moranville	Vice-chairman	60,000	26,000	86,000
Jan Zegering Hadders	Non-executive Board member	15,000	7,000	22,000
Lionel Perl	Non-executive Board member	85,678	5,500	91,178
Richard Jackson	Non-executive Board member	33,750	11,500	45,250
Jane Murphy	Non-executive Board member	45,000	24,000	69,000
Lucrezia Reichlin	Non-executive Board member	-	-	-
Yvonne Lang Ketterer	Non-executive Board member	33,750	13,500	47,250
Sonali Chandmal	Non-executive Board member	33,750	14,500	48,250
Katleen Vandeweyer	Non-executive Board member	30,000	18,000	48,000
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		**378,178**	**132,000**	**510,178**

(1) The Executive Board members are not remunerated as Board Members, but as Executive Committee members.
(see note 6.3.2 for details of their remuneration)

(2) Excluding reimbursement of expenses.

6.3.2 Remuneration of the Executive Committee Members.

6.3.2.1 The Executive Committee in 2021

At 31 December 2021, 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).

6.3.2.2 Total Remuneration 2021 of the Executive Committee

In 2021, the total remuneration including pension contributions and fringe benefits of the Executive Committee amounted to EUR 7,197,532 compared to EUR 7,749,540 in 2020. This was comprised of:

- a fixed remuneration of EUR 2,992,150 (compared to EUR 2,939,758 in 2020) consisting of a base compensation of 2,590,000 EUR and other benefits (health, death & disability cover and company car) of EUR 402,150;
- a variable remuneration of EUR 3,279,138 (compared to EUR 3,395,201 in 2020) consisting of a one year-variable remuneration (STI) of EUR 1,530,888 payable in cash over a period of 3 years and a multi-year variable (LTI) in the form of shares of EUR 1,748,250
- pension expenses of EUR 926,244 (excluding taxes) (compared to EUR 986,122 (excluding taxes) in 2020).

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

	- 1 - Fixed Remuneration			- 2 - Variable Remuneration		- 3 - Extraordinary Items	- 4 - Pension Expense	- 5 - Total Remuneration	Proportion of	
Incumbent Name	Base Compensation	Fees	Other Benefits	One-Year Variable	Multi-year Variable (1)				Fixed (1+4)/5	Variable (2+3)/5
H. De Cuyper	650,000	-	86,748	389,676	438,750	-	171,504	1,736,678	52%	48%
C. Boizard	485,000	-	101,086	280,575	327,375	-	196,890	1,390,926	56%	44%
E. Van Grimbergen	485,000	-	62,629	284,211	327,375	-	161,352	1,320,567	54%	46%
A. Cano	485,000	-	77,750	285,667	327,375	-	197,691	1,373,483	55%	45%
F. Coremans	485,000	-	73,937	290,759	327,375	-	198,807	1,375,878	55%	45%
Total	**2,590,000**	**-**	**402,150**	**1,530,888**	**1,748,250**	**0**	**926,244**	**7,197,532**		

(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 2021 base compensation levels of the Executive Committee and how they compare to 2020.

Incumbent Name	2021 (1)	2020 (1)	%
Bart De Smet (CEO)	na	583,333	na
Hans De Cuyper (CEO)	650,000	108,333	na
Christophe Boizard (CFO)	485,000	485,000	100%
Emmanuel Van Grimbergen (CRO)(2)	485,000	400,000	121%
Antonio Cano (MD Europe)	485,000	485,000	100%
Filip Coremans (MD Asia)	485,000	485,000	100%
Total	**2,590,000**	**2,546,666**	**102%**

(1) For Bart De Smet until 22/10/2020 and for Hans De Cuyper as of 22/10/2020.
2) Base salary of Emmanuel Van Grimbergen was aligned with other ExCo- members after 1 full year in the function after appointment.

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 402,150 representing other benefits 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).

STI (“One-Year Variable”)

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

- Hans De Cuyper (CEO) 120% of target;
- Christophe Boizard (CFO) 116% of target;
- Emmanuel Van Grimbergen (CRO) 117% of target;
- Antonio Cano (MD Europe) 118% of target;
- Filip Coremans (MD Asia) 120% of target.

You find a detailed overview of the assessment of all performance KPI’s in section 5.7.6.

For the performance year 2021, a STI for a total amount of EUR 1,530,888 was granted. 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 2022 consists of 50% of the STI earned for the performance year 2021, 25% of the STI earned for 2020 and 25% of the STI earned for 2019. The pay-outs corresponding to performance years 2019 and 2020 were adjusted based on performance over the years 2021 and 2020.

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

Incumbent Name	STI granted for performance year 2021	STI paid in 2022 for performance years 2021 50%	2020 25%	2019 25%	Total
Hans De Cuyper (CEO) (1)	389,676	194,838	17,064	-	211,902
Christophe Boizard (CFO)	280,575	140,287	74,385	75,683	290,355
Emmanuel Van Grimbergen (CRO)	284,211	142,105	60,527	34,893	237,525
Antonio Cano (MD Europe)	285,667	142,833	75,114	76,775	294,722
Filip Coremans (MD Asia)	290,759	145,379	76,751	76,775	298,905
Total	**1,530,888**				**1,333,409**

(1) As of 22 October 2020.

LTI ("Multi-Year Variable")

Grant made in 2021

With an Ageas business score of 5 (on a range of 1 to 7), the Board of Directors decided on a grant for 2021 of 150% of the target (i.e. 67.5% of base compensation). Based on the volume weighted average price (VWAP) of EUR 43.4821 of the Ageas share over the month of February 2022, this resulted in a conditional grant of 40,206 shares for an amount of EUR 1,748,250 in comparison to 2020 when 37,620 shares were granted for an amount of EUR 1,719,000. The shares will be blocked until 2027 and will be adjusted at vesting on 30 June of N+4 based on the relative Total Shareholder Return (TSR) ranking of the Ageas share over the performance period.

The number of shares granted for 2021 is detailed in the following table:

Incumbent Name	Date of Grant	Share Price at Grant Date	Number of Shares Granted
Hans De Cuyper (CEO)	01/03/2022	43.4821	10,090
Christophe Boizard (CFO)	01/03/2022	43.4821	7,529
Emmanuel Van Grimbergen (CRO)	01/03/2022	43.4821	7,529
Antonio Cano (MD Europe)	01/03/2022	43.4821	7,529
Filip Coremans (MD Asia)	01/03/2022	43.4821	7,529
Total			**40,206**

2021 vesting

The 2017- LTI plan vested on 30 June 2021. According the terms and conditions of the LTI Plan 2017, the initial number of Ageas shares committed to be granted was adjusted based on the relative TSR performance of Ageas within a predefined peer group of companies which was top quartile. In any case the total shares attributed at vesting can never exceed an amount of shares equal to 90% of base compensation/ageas share price at initial grant.

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The table below gives an overview of the number of vested shares for each member of the ExCo:

Incumbent Name	Number of shares committed to be granted for 2017	Adjusted number vested on 30 June 2021	Number of shares sold to finance income tax	Number of shares blocked till 1 January 2023
Hans De Cuyper (1)	5,973	5,973	2,924	3,049
Christophe Boizard	9,715	9,715	4,756	4,959
Emmanuel Van Grimbergen (2)	4,430	4,430	2,169	2,261
Antonio Cano	9,715	9,715	4,756	4,959
Filip Coremans	9,715	9,715	4,756	4,959
Total	**39,548**	**39,548**	**19,361**	**20,187**

(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.

C. EXTRAORDINARY ITEMS AND PENSION EXPENSES.

A total aggregated amount of EUR 926,244 was contributed to a defined contribution pension plan for the Executive Committee members.

Incumbent Name	Pension Contribution
Hans De Cuyper	171,504
Christophe Boizard	196,890
Emmanuel Van Grimbergen	161,352
Antonio Cano	197,691
Filip Coremans	198,807
Total	**926,244**

6.3.2.3 Share-based Remuneration

As mentioned above, the LTI-plan was granted at 150% of the target, which resulted in the grant of 40,206 shares for an amount of EUR 1,748,250.

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 adjusted taking into account the relative TSR-performance over the performance period.

Incumbent name	Number of shares committed to be granted for 2018	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
Bart De Smet	6,941	9,790	8,617	0
Hans De Cuyper (1)	2,954	4,196	5,293	10,090
Christophe Boizard	4,805	6,783	7,165	7,529
Emmanuel Van Grimbergen (2)	2,228	4,504	5,909	7,529
Antonio Cano	4,805	6,783	7,165	7,529
Filip Coremans	4,805	6,783	7,165	7,529
Total	**26,538**	**38,839**	**41,314**	**40,206**

(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.

6.3.2.4 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 31/12/2021. 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 31-12-2021	Value at 31-12-2021	Base salary	Ratio
Hans De Cuyper	6,145	45.55	279,905	650,000	43%
Cristophe Boizard	26,548	45.55	1,209,261	485,000	249%
Emmanuel Van Grimbergen	8,554	45.55	389,635	485,000	80%
Antonio Cano	16,076	45.55	732,262	485,000	151%
Filip Coremans	13,501	45.55	614,971	485,000	127%

6.3.2.5 Additional disclosure

Ageas did not apply any clawback provision during the year under review.

6.3.2.6 Annual Change in Remuneration of Executive Directors 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.

Annual change	2017	Var	2018	Var	2019	Var	2020	Var	2021	Var
Exco total remuneration (1)										
Hans De Cuyper (as of 22/10/2020)	0		0		0		292,097		1,736,678	
Christophe Boizard	1,467,481	62%	1,161,803	(21%)	1,396,680	20%	1,419,062	2%	1,390,926	(2%)
Filip Coremans	1,452,109	68%	1,144,313	(21%)	1,376,144	20%	1,405,707	2%	1,375,878	(2%)
Antonio Cano	1,430,608		1,130,143	(21%)	1,381,156	22%	1,402,383	2%	1,373,483	(2%)
Emmanuel Van Grimbergen (as of 01/06/2019)	N/A		N/A		619,993		1,090,275		1,320,567	21%
Company performance										
Ageas Business score % (2)	182%		93%		130%		136%		116%	
TSR 01-01/31-12 of YR (3)	14.52%		1.21%		40.86%		(10.70%)		10.00%	
Average remuneration of employees on full- time base	73,299	5%	73,512	0.3%	77,372	5.3%	83,029	7%	84,355	2%
FTE at 31/12 (4)	11,261.0		11,009.0		10,741.5		10,044.7		10,100.2	
Total staff expenses (5)	825,400,000		809,300,000		831,100,000		834,000,000		852,000,000	
Pay ratio average remuneration to CEO remuneration (6)	29.0		22.7		26.0		24.1		20.6	
Pay ratio lowest remuneration (7) to CEO remuneration (6)							40.1		33.4	

(1) Total remuneration as defined in table for 6.3.2.2. .

(2) Range is 0-200%.

(3) Total Shareholder Return.

(4) FTE for Ageas consolidated entities.

(5) As reported in the annual accounts.

(6) For comparison with previous years, CEO remuneration 2020 is calculated as the sum of total remuneration of B. De Smet and H. De Cuyper.

(7) Salary in lowest salary band at the level of ageas SA/NV.

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 2021, no outstanding or new loans, credits or bank guarantees had been granted to Board Members and executive managers or to close family members of the Board members and close family members of executive managers. Hence, during financial year 2021, 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.

	2021	2020
Income statement - related parties		
Interest income	13	12
Insurance premiums	42	21
Fee and commission income	6	6
Realised gains	15	
Other income	6	4
Change in provision for insurance and investment contracts	(26)	(13)
Fee and commission expenses	(35)	(25)

	2021	2020
Statement of financial position - related parties		
Financial Investments	63	64
Reinsurance share, trade and other receivables	52	18
Related party loans	482	433
Other assets	2	2
Liabilities arising from insurance and investment contracts	45	18
Debt certificates, subordinated liabilities and other borrowings	4	
Other liabilities	13	2

The changes in loans to related parties during the year ended 31 December are as follows.

	2021	2020
Related party loans as at 1 January	**433**	**391**
Additions or advances	62	70
Repayments	(13)	(28)
Related party loans as at 31 December	**482**	**433**

8 Information on operating segments

8.1 General information

Operating segments

Ageas is organised in six operating segments:

- Belgium;
- United Kingdom (UK);
- Continental Europe (CEU);
- 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, United Kingdom, Continental Europe, 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 is also 100% owner 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 United Kingdom (UK)

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 and commercial lines.

8.4 Continental Europe

Continental Europe consists of the insurance activities of Ageas in Europe, excluding Belgium and the United Kingdom. Ageas is active in three markets: Portugal, France and Turkey. The product range includes Life (in Portugal and France) and Non-life (in Portugal and Turkey). Access to markets is facilitated by a number of key partnerships with companies having a sizeable position in their respective markets.

8.5 Asia

Ageas is active in a number of countries in Asia with its 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.

8.6 Reinsurance

In June 2018, ageas SA/NV received a license from the National Bank of Belgium to start reinsurance activities. For Group reporting purposes, the reinsurance activities of ageas SA/NV are reported in the Reinsurance Segment while the existing activities remain in the General Account.

8.7 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).

8.8 Statement of financial position by operating segment

31 December 2021	Belgium	UK	CEU	Asia	Reinsurance	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
Assets										
Cash and cash equivalents	655	168	237	4	149		1,213	724		1,937
Financial investments	47,331	1,459	9,702		1,458		59,950	5	(3)	59,952
Investment property	2,850		268			(1)	3,117			3,117
Loans	13,582	37	344		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	1,690	429	9	151	(1,575)	2,057	203	(111)	2,149
Current tax assets	19	2	32				53			53
Deferred tax assets	18	29	53				100			100
Accrued interest and other assets	1,493	159	195		153	(13)	1,987	154	(102)	2,039
Property, plant and equipment	1,612	75	35	2			1,724	8		1,732
Goodwill and other intangible assets	604	269	449				1,322			1,322
Assets held for sale	19						19			19
Total assets	**82,293**	**3,888**	**18,402**	**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	2,605	844		1,643	(1,548)	7,889			7,889
Subordinated liabilities	1,143	142	175				1,460	2,118	(830)	2,748
Borrowings	3,608	6	39	2		(5)	3,650	6	(40)	3,616
Current tax liabilities	33	1	(18)				16			16
Deferred tax liabilities	878	1	76			1	956	15		971
RPN(I)								520		520
Accrued interest and other liabilities	2,250	170	339	9	170	(35)	2,903	131	(200)	2,834
Provisions	38	24	6				68	114		182
Total liabilities	**75,299**	**2,949**	**16,653**	**11**	**1,826**	**(1,590)**	**95,148**	**2,904**	**(1,085)**	**96,967**
Shareholders' equity	5,025	939	1,461	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**	**939**	**1,749**	**4,815**	**170**		**14,667**	**(493)**	**(2)**	**14,172**
Total liabilities and equity	**82,293**	**3,888**	**18,402**	**4,826**	**1,996**	**(1,590)**	**109,815**	**2,411**	**(1,087)**	**111,139**
Number of employees	**6,111**	**2,089**	**1,663**	**69**			**9,932**	**169**		**10,101**

31 December 2020	Belgium	UK	CEU	Asia	Reinsurance	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
Assets										
Cash and cash equivalents	811	163	333	4	40	(1)	1,350	891		2,241
Financial investments	50,428	1,420	10,480		1,379	1	63,708	5	(3)	63,710
Investment property	2,662		226			1	2,889			2,889
Loans	12,690	25	306		57		13,078	1,165	(845)	13,398
Investments related to unit-linked contracts	10,654		6,434				17,088			17,088
Equity accounted investments	376		71	4,478		(1)	4,924	4	1	4,929
Reinsurance and other receivables	1,123	1,564	430	1	65	(1,435)	1,748	310	(97)	1,961
Current tax assets	15	2	32				49			49
Deferred tax assets	10	29	60			(1)	98			98
Accrued interest and other assets	1,350	135	209		182	(17)	1,859	127	(101)	1,885
Property, plant and equipment	1,708	73	35	2		1	1,819	8		1,827
Goodwill and other intangible assets	523	248	447			(1)	1,217	12		1,229
Assets held for sale		109	5				114			114
Total assets	**82,350**	**3,768**	**19,068**	**4,485**	**1,723**	**(1,453)**	**109,941**	**2,522**	**(1,045)**	**111,418**
Liabilities										
Liabilities arising from Life insurance contracts	26,070		3,912		7	(2)	29,987		(14)	29,973
Liabilities arising from Life investment contracts	26,155		5,474				31,629			31,629
Liabilities related to unit-linked contracts	10,654		6,436				17,090			17,090
Liabilities arising from Non-life insurance contracts	4,086	2,427	843		1,388	(1,340)	7,404			7,404
Subordinated liabilities	1,142	157	175				1,474	2,128	(844)	2,758
Borrowings	3,878	7	45	2		(19)	3,913	7		3,920
Current tax liabilities	51		38				89			89
Deferred tax liabilities	996	2	92			(1)	1,089	16		1,105
RPN(I)								420		420
Accrued interest and other liabilities	2,329	147	380	8	208	(91)	2,981	139	(186)	2,934
Provisions	43	25	7				75	247		322
Total liabilities	**75,404**	**2,765**	**17,402**	**10**	**1,603**	**(1,453)**	**95,731**	**2,957**	**(1,044)**	**97,644**
Shareholders' equity	4,987	1,003	1,406	4,475	120	1	11,992	(435)	(2)	11,555
Non-controlling interests	1,959		260			(1)	2,218		1	2,219
Total equity	**6,946**	**1,003**	**1,666**	**4,475**	**120**		**14,210**	**(435)**	**(1)**	**13,774**
Total liabilities and equity	**82,350**	**3,768**	**19,068**	**4,485**	**1,723**	**(1,453)**	**109,941**	**2,522**	**(1,045)**	**111,418**
Number of employees	**5,785**	**2,431**	**1,599**	**65**			**9,880**	**165**		**10,045**

8.9
Income statement by operating segment

2021	Belgium	UK	CEU	Asia	Reinsurance	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
Income										
- Gross premium income	*5,748*	*1,406*	*1,775*		*1,623*	*(1,571)*	*8,981*		*(2)*	*8,979*
- Change in unearned premiums	*(8)*	*30*	*(8)*		*(61)*	*62*	*15*		*(1)*	*14*
- Ceded earned premiums	*(806)*	*(646)*	*(404)*		*(83)*	*1,479*	*(460)*			*(460)*
Net earned premiums	*4,934*	*790*	*1,363*		*1,479*	*(30)*	*8,536*		*(3)*	*8,533*
Interest, dividend and other investment income	2,186	38	181		21		2,426	38	(37)	2,427
Unrealised gain (loss) on RPN(I)								(101)		(101)
Result on sales and revaluations	240	12	41		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	219	269		7	(534)	467			467
Other income	234	33	30			(1)	296	8	(22)	282
Total income	**9,176**	**1,092**	**2,249**	**429**	**1,510**	**(566)**	**13,890**	**(58)**	**(60)**	**13,772**
Expenses										
- Insurance claims and benefits, gross	*(5,574)*	*(826)*	*(1,295)*		*(892)*	*827*	*(7,760)*		*3*	*(7,757)*
- Insurance claims and benefits, ceded	*513*	*357*	*182*		*35*	*(801)*	*286*			*286*
Insurance claims and benefits, net	*(5,061)*	*(469)*	*(1,113)*		*(857)*	*26*	*(7,474)*		*3*	*(7,471)*
Charges related to unit-linked contracts	(1,167)		(405)				(1,572)			(1,572)
Financing costs	(88)	(7)	(11)		(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)	(247)	(225)		(558)	535	(1,213)			(1,213)
Staff expenses	(560)	(127)	(110)	(22)	(2)	0	(821)	(35)	4	(852)
Other expenses	(872)	(180)	(171)	(4)	(5)	4	(1,228)	(60)	19	(1,269)
Total expenses	**(8,502)**	**(1,030)**	**(2,038)**	**(26)**	**(1,423)**	**566**	**(12,453)**	**(150)**	**62**	**(12,541)**
Result before taxation	**674**	**62**	**211**	**403**	**87**		**1,437**	**(208)**	**2**	**1,231**
Tax income (expenses)	(136)	(1)	(58)			(1)	(196)	(19)		(215)
Net result for the period	**538**	**61**	**153**	**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**	**61**	**119**	**403**	**87**		**1,070**	**(227)**	**2**	**845**
Total income from external customers	9,502	1,475	2,462	429		0	13,868	(96)		13,772
Total income internal	(326)	(383)	(213)		1,510	(566)	22	38	(60)	
Total income	**9,176**	**1,092**	**2,249**	**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	UK	CEU	Asia	Reinsurance	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
Gross premium income	5,748	1,406	1,775		1,623	(1,571)	8,981		(2)	8,979
Inflow deposit accounting	927		900			(1)	1,826			1,826
Gross inflow	**6,675**	**1,406**	**2,675**		**1,623**	**(1,572)**	**10,807**		**(2)**	**10,805**

2020	Belgium	UK	CEU	Asia	Reinsurance	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
Income										
- Gross premium income	*5,428*	*1,382*	*1,598*		*1,641*	*(1,611)*	*8,438*		*(3)*	*8,435*
- Change in unearned premiums	*(7)*	*(10)*	*(3)*		*(45)*	*43*	*(22)*			*(22)*
- Ceded earned premiums	*(733)*	*(760)*	*(433)*		*(55)*	*1,570*	*(411)*			*(411)*
Net earned premiums	4,688	612	1,162		1,541	2	8,005		(3)	8,002
Interest, dividend and other investment income	2,131	38	202		21	(1)	2,391	39	(38)	2,392
Unrealised gain (loss) on RPN(I)								(61)		(61)
Result on sales and revaluations	267		26		1	(1)	293	340	6	639
Income related to investments for unit-linked contracts	359		125				484			484
Share in result of equity accounted investments	1	14	16	295			326	2		328
Fee and commission income	437	240	236		4	(532)	385			385
Other income	160	34	19			(1)	212	7	(18)	201
Total income	**8,043**	**938**	**1,786**	**295**	**1,567**	**(533)**	**12,096**	**327**	**(53)**	**12,370**
Expenses										
- Insurance claims and benefits, gross	*(5,088)*	*(771)*	*(1,094)*		*(1,000)*	*985*	*(6,968)*		*2*	*(6,966)*
- Insurance claims and benefits, ceded	*385*	*476*	*239*		*36*	*(985)*	*151*			*151*
Insurance claims and benefits, net	(4,703)	(295)	(855)		(964)		(6,817)		2	(6,815)
Charges related to unit-linked contracts	(420)		(191)			1	(610)			(610)
Financing costs	(92)	(9)	(12)		(1)		(114)	(63)	38	(139)
Change in impairments	(145)		(26)			(1)	(172)			(172)
Change in provisions	(8)						(8)	44		36
Fee and commission expenses	(668)	(253)	(204)		(547)	534	(1,138)			(1,138)
Staff expenses	(549)	(132)	(100)	(23)	(1)	0	(805)	(32)	3	(834)
Other expenses	(783)	(179)	(157)	(3)	25	(1)	(1,098)	(82)	15	(1,165)
Total expenses	**(7,368)**	**(868)**	**(1,545)**	**(26)**	**(1,488)**	**533**	**(10,762)**	**(133)**	**58**	**(10,837)**
Result before taxation	**675**	**70**	**241**	**269**	**79**		**1,334**	**194**	**5**	**1,533**
Tax income (expenses)	(143)	(5)	(66)				(214)	(19)		(233)
Net result for the period	**532**	**65**	**175**	**269**	**79**		**1,120**	**175**	**5**	**1,300**
Attributable to non-controlling interests	121		39			(1)	159			159
Net result attributable to shareholders	**411**	**65**	**136**	**269**	**79**	**1**	**961**	**175**	**5**	**1,141**
Total income from external customers	8,345	1,413	2,031	294		0	12,083	287		12,370
Total income internal	(302)	(475)	(245)	1	1,567	(533)	13	40	(53)	
Total income	**8,043**	**938**	**1,786**	**295**	**1,567**	**(533)**	**12,096**	**327**	**(53)**	**12,370**

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

2020	Belgium	UK	CEU	Asia	Reinsurance	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
Gross premium income	5,428	1,382	1,598		1,641	(1,611)	8,438		(3)	8,435
Inflow deposit accounting	672		385				1,057			1,057
Gross inflow	**6,100**	**1,382**	**1,983**		**1,641**	**(1,611)**	**9,495**		**(3)**	**9,492**

8.10
Statement of financial position split into Life and Non-life

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**

31 December 2020	Life	Non-life	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
Assets							
Cash and cash equivalents	959	391		1,350	891		2,241
Financial investments	56,248	7,460		63,708	5	(3)	63,710
Investment property	2,673	216		2,889			2,889
Loans	11,928	1,188	(38)	13,078	1,165	(845)	13,398
Investments related to unit-linked contracts	17,088			17,088			17,088
Equity accounted investments	4,177	838	(91)	4,924	4	1	4,929
Reinsurance and other receivables	397	1,694	(343)	1,748	310	(97)	1,961
Current tax assets	23	26		49			49
Deferred tax assets	37	61		98			98
Accrued interest and other assets	1,210	650	(1)	1,859	127	(101)	1,885
Property, plant and equipment	1,487	332		1,819	8		1,827
Goodwill and other intangible assets	900	578	(261)	1,217	12		1,229
Assets held for sale	5	109		114			114
Total assets	**97,132**	**13,543**	**(734)**	**109,941**	**2,522**	**(1,045)**	**111,418**
Liabilities							
Liabilities arising from Life insurance contracts	29,987			29,987		(14)	29,973
Liabilities arising from Life investment contracts	31,629			31,629			31,629
Liabilities related to unit-linked contracts	17,090			17,090			17,090
Liabilities arising from Non-life insurance contracts		7,404		7,404			7,404
Subordinated liabilities	1,103	410	(39)	1,474	2,128	(844)	2,758
Borrowings	3,429	484		3,913	7		3,920
Current tax liabilities	75	13	1	89			89
Deferred tax liabilities	871	219	(1)	1,089	16		1,105
RPN(I)					420		420
Accrued interest and other liabilities	2,313	1,010	(342)	2,981	139	(186)	2,934
Provisions	32	43		75	247		322
Total liabilities	**86,529**	**9,583**	**(381)**	**95,731**	**2,957**	**(1,044)**	**97,644**
Shareholders' equity	8,720	3,616	(344)	11,992	(435)	(2)	11,555
Non-controlling interests	1,883	344	(9)	2,218		1	2,219
Total equity	**10,603**	**3,960**	**(353)**	**14,210**	**(435)**	**(1)**	**13,774**
Total liabilities and equity	**97,132**	**13,543**	**(734)**	**109,941**	**2,522**	**(1,045)**	**111,418**
Number of employees	**3,673**	**6,207**		**9,880**	**165**		**10,045**

8.11
Income statement split into Life and Non-life

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**

2020	Life	Non-life	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
Income							
- Gross premium income	*4,140*	*4,298*		*8,438*		*(3)*	*8,435*
- Change in unearned premiums		*(23)*	*1*	*(22)*			*(22)*
- Ceded earned premiums	*(29)*	*(382)*		*(411)*			*(411)*
Net earned premiums	4,111	3,893	1	8,005		(3)	8,002
Interest, dividend and other investment income	2,152	257	(18)	2,391	39	(38)	2,392
Unrealised gain (loss) on RPN(I)					(61)		(61)
Result on sales and revaluations	280	13		293	340	6	639
Income related to investments for unit-linked contracts	484			484			484
Share in result of equity accounted investments	262	64		326	2		328
Fee and commission income	274	117	(6)	385			385
Other income	130	83	(1)	212	7	(18)	201
Total income	**7,693**	**4,427**	**(24)**	**12,096**	**327**	**(53)**	**12,370**
Expenses							
- Insurance claims and benefits, gross	*(4,645)*	*(2,332)*	*9*	*(6,968)*		*2*	*(6,966)*
- Insurance claims and benefits, ceded	*22*	*138*	*(9)*	*151*			*151*
Insurance claims and benefits, net	(4,623)	(2,194)		(6,817)		2	(6,815)
Charges related to unit-linked contracts	(610)			(610)			(610)
Financing costs	(86)	(29)	1	(114)	(63)	38	(139)
Change in impairments	(163)	(9)		(172)			(172)
Change in provisions	(5)	(3)		(8)	44		36
Fee and commission expenses	(368)	(776)	6	(1,138)			(1,138)
Staff expenses	(406)	(400)	1	(805)	(32)	3	(834)
Other expenses	(616)	(498)	16	(1,098)	(82)	15	(1,165)
Total expenses	**(6,877)**	**(3,909)**	**24**	**(10,762)**	**(133)**	**58**	**(10,837)**
Result before taxation	**816**	**518**		**1,334**	**194**	**5**	**1,533**
Tax income (expenses)	(127)	(87)		(214)	(19)		(233)
Net result for the period	**689**	**431**		**1,120**	**175**	**5**	**1,300**
Attributable to non-controlling interests	119	40		159			159
Net result attributable to shareholders	**570**	**391**		**961**	**175**	**5**	**1,141**
Total income from external customers	7,660	4,420	3	12,083	287		12,370
Total income internal	33	7	(27)	13	40	(53)	
Total income	**7,693**	**4,427**	**(24)**	**12,096**	**327**	**(53)**	**12,370**

Gross inflow (sum of gross written premiums and premium inflow of investment contracts without Discretionary Participation Features) can be presented as follows.

2020	Life	Non-life	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
Gross premium income	4,140	4,298		8,438		(3)	8,435
Inflow deposit accounting	1,057			1,057			1,057
Gross inflow	**5,197**	**4,298**		**9,495**		**(3)**	**9,492**

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.

2021	Belgium	UK	CEU	Asia	Reinsurance	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
Gross inflow Life	4,366		1,853		44	(45)	6,218			6,218
Gross inflow Non-life	2,309	1,406	822		1,579	(1,527)	4,589		(2)	4,587
Operating costs	(623)	(224)	(213)		(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*	*1*	*37*		*6*	*(1)*	*84*			*84*
- Motor	*157*	*77*	*10*		*37*	*(17)*	*264*			*264*
- Fire and other damage to property	*(142)*	*(4)*	*23*		*22*	*(10)*	*(111)*			*(111)*
- Other	*69*	*(6)*	*7*		*21*	*6*	*97*		*2*	*99*
Non-life operating result	125	68	77		86	(22)	334		2	336
Operating result	**622**	**68**	**187**		**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	(6)	13	(24)		22	57	(209)		(152)
Result before taxation	**674**	**62**	**211**	**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%	36.4%	25.2%		38.4%		34.8%			34.8%
Claims ratio	65.0%	59.4%	58.9%		57.2%		60.6%			60.6%
Combined ratio	98.2%	95.8%	84.1%		95.6%		95.4%			95.4%
Operating margin	8.3%	8.7%	17.1%		6.0%		8.0%			8.1%
Technical Insurance liabilities	67,349	2,605	16,036		1,656	(1,551)	86,095		(15)	86,080

2020	Belgium	UK	CEU	Asia	Reinsurance	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
Gross inflow Life	3,991		1,208		15	(17)	5,197			5,197
Gross inflow Non-life	2,109	1,382	775		1,626	(1,594)	4,298		(3)	4,295
Operating costs	(607)	(212)	(203)		(3)		(1,025)			(1,025)
- Guaranteed products	*373*		*137*		*1*		*511*			*511*
- Unit linked products	*38*		*11*				*49*			*49*
Life operating result	411		148		1		560			560
- Accident & Health	*33*	*1*	*46*		*4*	*(2)*	*82*			*82*
- Motor	*94*	*68*	*24*		*40*	*2*	*228*			*228*
- Fire and other damage to property	*53*	*(5)*	*18*		*30*		*96*			*96*
- Other	*45*	*(9)*	*7*		*3*		*46*		*(3)*	*43*
Non-life operating result	225	55	95		77		452		(3)	449
Operating result	**636**	**55**	**243**		**78**		**1,012**		(3)	**1,009**
Share in result of equity accounted investments non allocated		14	16	293		1	324	1		325
Other result, including brokerage	39	1	(18)	(24)	1	(1)	(2)	193	8	199
Result before taxation	**675**	**70**	**241**	**269**	**79**		**1,334**	**194**	**5**	**1,533**
Key performance indicators Life										
Net underwriting margin	(0.03%)		0.62%		37.28%		0.12%			0.12%
Investment margin	0.73%		0.36%				0.64%			0.64%
Operating margin	0.70%		0.98%		37.28%		0.76%			0.76%
- Operating margin Guaranteed products	*0.77%*		*1.59%*		*37.28%*		*0.90%*			*0.90%*
- Operating margin Unit linked products	*0.38%*		*0.17%*				*0.29%*			*0.29%*
Life cost ratio in % of Life technical liabilities (annualised)	0.41%		0.45%		1.14%		0.42%			0.42%
Key performance indicators Non-life										
Expense ratio	36.1%	47.1%	28.4%		33.6%		36.1%			36.1%
Claims ratio	51.7%	48.3%	49.0%		62.7%		55.2%			55.2%
Combined ratio	87.8%	95.4%	77.4%		96.3%		91.3%			91.3%
Operating margin	16.4%	8.9%	25.2%		5.1%		11.6%			11.5%
Technical Insurance liabilities	66,965	2,427	16,665		1,395	(1,342)	86,110		(14)	86,096

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 2021	31 December 2020
Cash on hand	2	2
Due from banks	1,750	2,053
Other	185	186
Total cash and cash equivalents	**1,937**	**2,241**

10

Financial investments

The composition of financial investments is as follows.

	31 December 2021	31 December 2020
Financial investments		
- Held to maturity	4,351	4,416
- Available for sale	55,582	59,317
- Held at fair value through profit or loss	340	297
- Derivatives held for trading	6	16
Total, gross	**60,279**	**64,046**
Impairments:		
- of investments available for sale	(327)	(336)
Total impairments	**(327)**	**(336)**
Total	**59,952**	**63,710**

10.1 Investments held to maturity

	Government bonds	Total
Investments held to maturity at 1 January 2020	**4,438**	**4,438**
Maturities	(18)	(18)
Amortisation	(4)	(4)
Investments held to maturity at 31 December 2020	**4,416**	**4,416**
Maturities	(58)	(58)
Amortisation	(7)	(7)
Investments held to maturity at 31 December 2021	**4,351**	**4,351**
Fair value at 31 December 2020	**7,101**	**7,101**
Fair value at 31 December 2021	**6,497**	**6,497**

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 2021	Historical/amortised cost	Fair value
Belgian national government	4,304	6,399
Portuguese national government	47	98
Total	**4,351**	**6,497**

31 December 2020		
Belgian national government	4,313	6,937
Portuguese national government	103	164
Total	**4,416**	**7,101**

10.2 Investments available for sale

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**

31 December 2020	Historical/ amortised cost	Gross unrealised gains	Gross unrealised losses	Total gross	Impairments	Fair value
Government bonds	26,910	7,392		34,302		34,302
Corporate debt securities	18,083	1,699	(7)	19,775	(22)	19,753
Structured credit instruments	49	2		51		51
Available for sale investments in debt securities	45,042	9,093	(7)	54,128	(22)	54,106
Private equities and venture capital	99	19		118		118
Equity securities	4,281	816	(29)	5,068	(314)	4,754
Other investments	3			3		3
Available for sale investments in equity securities and other investments	4,383	835	(29)	5,189	(314)	4,875
Total investments available for sale	**49,425**	**9,928**	**(36)**	**59,317**	**(336)**	**58,981**

An amount of EUR 2,032 million of the investments available for sale has been pledged as collateral (2020: EUR 2,288 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 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**

31 December 2020	Level 1	Level 2	Level 3	Total
Government bonds	33,900	402		34,302
Corporate debt securities	18,178	1,103	472	19,753
Structured credit instruments	8	42	1	51
Equity securities, private equities and other investments	2,554	1,482	839	4,875
Total Investments available for sale	**54,640**	**3,029**	**1,312**	**58,981**

The changes in level 3 valuation are as follows.

	2021	2020
Balance as at 1 January	**1,312**	**1,282**
Maturity/redemption or repayment	(63)	(28)
Acquired	182	126
Proceeds from sales	(140)	(30)
Realised gains (losses)	21	
Impairments	(3)	
Unrealised gains (losses)	67	(36)
Foreign exchange differences and other adjustments		(2)
Balance as at 31 December	**1,376**	**1,312**

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 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**

31 December 2020	Historical/ Amortised Cost	Gross Unrealised gains (losses)	Fair value
Belgian national government	11,336	3,289	14,625
French national government	4,745	1,515	6,260
Austrian national government	2,311	467	2,778
Portuguese national government	2,040	556	2,596
Spanish national government	2,021	427	2,448
Italian national government	1,171	437	1,608
German national government	859	290	1,149
Dutch national government	497	94	591
Irish national government	336	54	390
British national government	190	26	216
Polish national government	283	52	335
Slovakian national government	159	58	217
Czech Republic national government	32		32
Finnish national government	91	19	110
US national government	2		2
Other national governments	837	108	945
Total	**26,910**	**7,392**	**34,302**

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 2021	31 December 2020
Available for sale investments in debt securities:		
Carrying amount	49,586	54,106
Gross unrealised gains and losses	6,284	9,086
- Related tax	(1,586)	(2,300)
Shadow accounting	(2,251)	(4,511)
- Related tax	652	1,228
Net unrealised gains and losses	**3,099**	**3,503**

	31 December 2021	31 December 2020
Available for sale investments in equity securities and other investments:		
Carrying amount	5,669	4,875
Gross unrealised gains and losses	1,249	806
- Related tax	(134)	(113)
Shadow accounting	(756)	(531)
- Related tax	118	74
Net unrealised gains and losses	**477**	**236**

The changes in impairments of investments available for sale are as follows.

	31 December 2021	31 December 2020
Balance as at 1 January	**(336)**	**(269)**
Acquisitions/divestments of subsidiaries		38
Increase in impairments	(34)	(154)
Reversal on sale/disposal	42	49
Foreign exchange differences and other adjustments	1	
Balance as at 31 December	**(327)**	**(336)**

10.3
Investments held at fair value through profit or loss

	31 December 2021	31 December 2020
Government bonds		
Corporate debt securities	134	132
Structured credit instruments	3	4
Debt securities	137	136
Equity securities	36	12
Other investments	167	149
Equity securities and other investments	203	161
Total investments held at fair value through profit or loss	**340**	**297**

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 2021 is EUR 133 million (31 December 2020: EUR 134 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 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**

31 December 2020	Level 1	Level 2	Level 3	Total
Government Bonds				
Corporate debt securities		130	2	132
Structured credit instruments		4		4
Equity securities			12	12
Other investments	149			149
Total Investments held at fair value through profit or loss	**149**	**134**	**14**	**297**

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 738 million (EUR 1,006 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 410 million at 31 December 2021 (EUR 447 million at 31 December 2020). The carrying amount of interest held by AG Insurance in Lease-backed receivables amounts to EUR 35 million at 31 December 2021 (EUR 22 million at 31 December 2020). The carrying amount of interest held by AG Insurance in Private Equity amounts to EUR 27 million at 31 December 2021 (EUR 0 million at 31 December 2020).

The Fund of mortgage loans is fully detained by AG Insurance, and the total assets of the Lease-backed receivables amounts to EUR 339 million at 31 December 2021 (EUR 348 million at 31 December 2020)

11

Investment property

Investment property mainly comprises office buildings and retail space.

	31 December 2021	31 December 2020
Investment property	3,120	2,891
Impairments of investment property	(3)	(2)
Total investment property	**3,117**	**2,889**

	2021	2020
Acquisition cost as at 1 January	**3,661**	**3,338**
Change in accounting policy		
Acquisitions/divestments of subsidiaries	35	33
Additions/purchases	303	496
Capital improvements	74	61
Disposals	(100)	(235)
Transfer from (to) property, plant and equipment		(1)
Foreign exchange differences		
Other	(43)	(31)
Acquisition cost as at 31 December	**3,930**	**3,661**
Accumulated depreciation as at 1 January	**(770)**	**(730)**
Acquisitions/divestments of subsidiaries		
Depreciation expense	(97)	(94)
Reversal of depreciation due to disposals	32	46
Transfer from (to) property, plant and equipment		1
Other	25	7
Accumulated depreciation as at 31 December	**(810)**	**(770)**
Accumulated impairments as at 1 January	**(2)**	**(5)**
Acquisitions/disposals of subsidiaries		
Increase in impairments		(1)
Reversal of impairments		
Reversal of impairments due to disposals		4
Accumulated impairments as at 31 December	**(3)**	**(2)**
Net investment property as at 31 December	**3,117**	**2,889**

As at 31 December 2021 and 31 December 2020, 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 take into account expected rental income growth rates, void periods, occupancy rates, lease incentive costs, such as rent-free periods, and other costs not paid by tenants. Expected net cash flows are then discounted using risk-adjusted discount rates.

Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms. For development property (i.e. under construction), the fair value is set to cost until the property is operational.

	31 December 2021	31 December 2020
Fair values supported by market evidence	483	302
Fair value subject to an independent valuation	3,823	3,797
Total fair value of investment property	**4,306**	**4,099**
Total carrying amount (including lease liability)	3,057	2,829
Gross unrealised gains (losses)	**1,249**	**1,270**
Unrealised gains (losses) to policyholders	(40)	(36)
Taxation	(342)	(344)
Net unrealised gains (losses) (not recognised in equity)	**867**	**890**

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:

	2021	2020
Less than 3 months	51	52
3 months to 1 year	145	147
1 year to 2 years	167	162
2 years to 3 years	134	140
3 years to 4 years	110	111
4 years to 5 years	101	94
More than 5 years	630	677
Total undiscounted lease payments receivable	**1,338**	**1,383**

An amount of EUR 66 million in 2021 of the total minimum payments to be received from irrevocable lease agreements relates to property, plant and equipment (2020: EUR 80 million). The remainder relates to investment property.

12 Loans

	31 December 2021	31 December 2020
Government and official institutions	5,120	5,110
Commercial loans	6,984	5,970
Residential mortgages	1,175	1,179
Policyholder loans	527	462
Interest bearing deposits	390	340
Loans to banks	325	366
Total	**14,521**	**13,427**
Less impairments	(29)	(29)
Total Loans	**14,492**	**13,398**

12.1 Commercial loans

	31 December 2021	31 December 2020
Real Estate	459	367
Infrastructure	1,624	1,280
Corporate	4,705	4,098
Finance Lease Receivables	163	165
Other	33	60
Total commercial loans	**6,984**	**5,970**

Ageas has granted credit lines for a total amount of EUR 1,024 million (31 December 2020: EUR 982 million).

12.2 Lease Maturity

Finance lease receivables	31 December 2021	31 December 2020
Less than 1 year	3	3
1 year to 3 years	7	5
3 years to 5 years	25	5
More than 5 years	128	152
Total Finance Lease Receivables	**163**	**165**

12.3
Collateral on loans

The following table provides details of collateral and guarantees received as security for loans.

Total credit exposure loans	2021	2020
Carrying amount	14,492	13,398
Collateral received		
Financial instruments	386	373
Property, plant and equipment	1,999	2,076
Other collateral and guarantees	104	98
Unsecured exposure	12,003	10,851
Collateral amounts in excess of credit exposure (1)	*919*	*1,001*

(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	2021 IBNR	Specific credit risk	2020 IBNR
Balance as at 1 January	**26**	**4**	**27**	**1**
Increase in impairments	2		2	3
Release of impairments	(2)		(2)	
Write-offs of uncollectible loans	(1)		(1)	
Balance as at 31 December	**25**	**4**	**26**	**4**

The following table provides details of collateral and guarantees received as security for impaired loans.

Total impaired credit exposure on loans	2021	2020
Impaired outstanding	43	48
Collateral received		
Property, plant and equipment	30	44
Collateral and guarantees in excess of impaired credit exposure (1)	8	17

(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 generates funds 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 2,355 million at 31 December 2021 and EUR 2,298 million at 31 December 2020).

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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	2021 Carrying amount	2020 Carrying amount
Associates and joint ventures				
Taiping Holdings	China	12.00% - 24.90%	2,529	2,078
Muang Thai Group Holding	Thailand	7.83% - 30.87%	1,072	1,271
Maybank Ageas Holding Berhad	Malaysia	30.95%	510	462
Taiping Reinsurance Company Limited	China	24.99%	328	327
CCN	Belgium	50.00%	52	6
AgeSA	Turkey	40.00%	98	
Aksigorta	Turkey	36.00%	44	67
DTHP	Belgium	33.00%	63	64
East West Ageas Life	Philippines	50.00%	54	54
Pleyel	Belgium	56.50%	25	29
Ageas Federal Life Insurance Company	India	49.00%	90	88
Royal Sundaram General Insurance Company Limited	India	40.00%	207	181
EPB NV (Eurocommercial properties)	Belgium	25.60%	51	51
MB Ageas Life JSC	Vietnam	32.09%	21	17
Royal Park Investments	Belgium	44.71%	1	4
Other			183	236
Total			**5,328**	**4,929**

The carrying amount in CCN increased following an additional acquisition of 45% stake in 2021 (see note 3 Acquisitions and disposals for more details).

AgeSA (formerly AvivaSA) was acquired by Ageas Group in May 2021 (see note 3 Acquisitions and disposals for more details).

The details of the equity accounted investments are as follows.

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)	
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				183				24	13
Total				**5,328**				**464**	**219**

2020	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	91,751	83,288	8,463	2,075	21,435	(20,577)	858	213	113
Muang Thai Group Holding	17,876	13,708	4,168	1,237	2,625	(2,549)	76	23	9
Maybank Ageas Holding Berhad	8,642	7,213	1,429	442	2,301	(2,157)	144	45	17
Taiping Reinsurance Co. Limited	5,972	4,784	1,188	297	236	(231)	5	1	
BG1					10	(8)	2	1	
Tesco Insurance Ltd					221	(193)	28	14	8
DTHP	801	606	195	64	60	(80)	(20)	(6)	
East West Ageas Life	196	88	108	54	50	(62)	(12)	(6)	
Pleyel	250	76	174	29	3	(10)	(7)	(4)	
Aksigorta	621	519	102	37	375	(329)	46	16	11
Ageas Federal Life Insurance Co.	1,427	1,313	114	56	396	(383)	13	3	1
Royal Sundaram General Insurance Company Limited	819	673	146	59	313	(285)	28	11	
EPB NV (Eurocommercial properties)	555	358	197	51	33	(33)			
MB Ageas Life JSC	153	100	53	17	141	(128)	13	4	
Royal Park Investments	8		8	4	5	(2)	4	1	2
Related Goodwill				271					
Other				236				12	16
Total				**4,929**				**328**	**177**

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 2021	31 December 2020
Reinsurers' share of liabilities arising from insurance and investment contracts	801	720
Receivables from policyholders	409	353
Fees and commissions receivable	110	108
Receivables from intermediaries	379	337
Reinsurance receivables	136	31
Other	366	466
Total gross	**2,201**	**2,015**
Impairments	(52)	(54)
Total net	**2,149**	**1,961**

The line ‘Other’ includes VAT and other indirect taxes, as well as the advance payment of EUR 109 million (31 December 2020: EUR 215 million) to the Stichting Forsettlement (see note 25 Provisions).

Changes in impairments of reinsurance and other receivables	2021	2020
Balance as at 1 January	**54**	**49**
Increase in impairments	8	17
Release of impairments	(5)	(2)
Write-offs of uncollectible amounts	(4)	(10)
Foreign exchange differences and other adjustments	(1)	
Balance as at 31 December	**52**	**54**

In 2020, the increases in impairments and write-offs of uncollectible amounts were linked to Covid-19 related rental receivables that Ageas has written off for the lease of retail property and office buildings.

Changes in the reinsurer’s share of liabilities arising from insurance and investment contracts	2021	2020
Balance as at 1 January	**720**	**729**
Change in liabilities current year	179	104
Change in liabilities prior years	(19)	(54)
Claims paid current year	(42)	(28)
Claims paid prior years	(39)	(72)
Other net additions through income statement	(17)	59
Foreign exchange differences and other adjustments	19	(18)
Balance as at 31 December	**801**	**720**

15 Accrued interest and other assets

	31 December 2021	31 December 2020
Deferred acquisition cost	418	408
Deferred other charges	114	96
Accrued income	1,000	1,043
Derivatives held for hedging purposes	34	3
Property intended for sale	323	228
Defined benefit assets	81	45
Other	69	63
Total gross	**2,039**	**1,886**
Impairments		(1)
Total net	**2,039**	**1,885**

Accrued income consists mainly of accrued interest income on government bonds (2021: EUR 657 million; 2020: EUR 676 million) and corporate bonds (2021: EUR 212 million; 2020: EUR 234 million).

Deferred acquisition costs

	2021	2020
Balance as at 1 January	**408**	**425**
Capitalised deferred acquisition costs	419	417
Depreciation expense	(419)	(423)
Other purchases and sales of activities	(2)	
Other adjustments including exchange rate differences	12	(10)
Balance as at 31 December	**418**	**408**

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Property, plant and equipment

Property, plant and equipment include office buildings and public car parks.

	31 December 2021	31 December 2020
Car parks	1,383	1,461
Land and buildings held for own use	209	217
Leasehold improvements	28	28
Equipment, motor vehicles and IT equipment	112	121
Buildings under construction		
Total	**1,732**	**1,827**

	Land & building held for own use and car parks		Equipment, motor vehicles and IT equipment	
2021	Own Property	Leased Property (right of use)	Own Property	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)**	
Increase in impairments				
Reversal of impairments				
Reversal of impairments due to disposals				
Foreign exchange differences and other		1	1	
Accumulated impairments as at 31 December	**(10)**			
Total as at 31 December	**1,122**	**470**	**89**	**23**

2020	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	**1,821**	**522**	**383**	**32**
Additions	112	92	39	12
Reversal of cost due to disposals	(1)	(6)	(13)	(4)
Foreign exchange differences and other	6	5	(63)	
Acquisition cost as at 31 December	**1,938**	**613**	**346**	**40**
Accumulated depreciation as at 1 January	**(694)**	**(66)**	**(288)**	**(9)**
Depreciation expense	(40)	(63)	(32)	(10)
Reversal of depreciation due to disposals	1	5	9	1
Foreign exchange differences and other	(5)		64	1
Accumulated depreciation as at 31 December	**(738)**	**(124)**	**(247)**	**(17)**
Accumulated impairments as at 1 January	**(10)**	**(1)**	**(1)**	
Increase in impairments				
Reversal of impairments				
Reversal of impairments due to disposals				
Foreign exchange differences and other				
Accumulated impairments as at 31 December	**(10)**	**(1)**	**(1)**	
Total as at 31 December	**1,190**	**488**	**98**	**23**

An amount of EUR 166 million of property, plant and equipment has been pledged as collateral (31 December 2020: EUR 173 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 2021	31 December 2020
Total fair value of Land and buildings held for own use and car parks	**1,837**	**1,811**
Total carrying amount (including lease liability)	1,114	1,188
Gross unrealised gains (losses)	**723**	**623**
Taxation	(176)	(164)
Net unrealised gains (losses) (not recognised in equity)	**547**	**459**

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Goodwill and other intangible assets

	31 December 2021	31 December 2020
Goodwill	616	602
Public car park service concessions	537	450
VOBA	33	45
Software	83	64
Other intangible assets	53	68
Total	**1,322**	**1,229**

Changes in goodwill, VOBA and Public car park service concessions are shown below.

	Goodwill		VOBA		Public Car Park Service Concessions	
	2021	2020	2021	2020	2021	2020
Acquisition cost as at 1 January	**630**	**644**	**529**	**529**	**726**	**684**
Additions		1			68	52
Reversal of cost due to disposals						(1)
Foreign exchange differences and other	18	(15)			50	(9)
Acquisition cost as at 31 December	**648**	**630**	**529**	**529**	**844**	**726**
Accumulated amortisation as at 1 January			**(485)**	**(471)**	**(265)**	**(242)**
Amortisation expense			(11)	(13)	(26)	(24)
Reversal of amortisation due to disposals						1
Foreign exchange differences and other					(5)	
Accumulated amortisation as at 31 December			**(496)**	**(484)**	**(296)**	**(265)**
Accumulated impairments as at 1 January	**(28)**	**(30)**			**(11)**	**(11)**
Increase in impairments	(2)					
Reversal of impairments						
Foreign exchange differences and other	(2)	2				
Accumulated impairments as at 31 December	**(32)**	**(28)**			**(11)**	**(11)**
Total as at 31 December	**616**	**602**	**33**	**45**	**537**	**450**

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 2021 is as follows.

	Goodwill amount	Impairments	Net amount	Segment	Method used for recoverable amount
Cash-generating unit (CGU)					
Ageas Portugal	337		337	Continental Europe (CEU)	Value in use
Ageas (UK)	280	30	250	United Kingdom (UK)	Value in use
Other	31	2	29		Value in use
Total	**648**	**32**	**616**		

Ageas Portugal

The reported goodwill for Ageas Portugal amounts to EUR 337 million (2020: EUR 337 million). In 2016, the legal structure in Portugal has been simplified and all Portuguese entities are now owned and controlled by Ageas Portugal Holding with a central Executive Committee on country-level which makes all strategic decisions. Therefore Ageas Portugal is considered as one CGU.

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 an approach of expected inflation in Portugal. The discount rate of 8.92 percent used is based on the risk-free interest rate, equity risk premium and a beta coefficient. The impairment test showed that the recoverable amount exceeded the carrying value of the CGU including goodwill. Consequently, goodwill for Ageas Portugal was not impaired.

Based on the sensitivity analysis with regard to the assumptions, goodwill for Ageas Portugal would not be impaired if the growth rate was largely negative or the discount rate increased by more than 5.6 percent.

Ageas UK

Goodwill for Ageas UK amounts to GBP 235 million (2020: GBP 235 million). The net goodwill after impairment amounts to GBP 210 million (2020: GBP 210 million). In the United Kingdom, all entities are owned and controlled by Ageas UK holding with its own Executive Committee which makes all strategic decisions. Therefore Ageas UK is considered as one CGU.

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 an approach of expected inflation.

The discount rate of 5.9 percent used is based on the risk-free interest rate, equity risk premium and a beta coefficient. The impairment test showed that the recoverable amount exceeded the carrying value of the CGU including goodwill and goodwill was 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 6.0 percent.

Other
Other includes goodwill in France and Belgium.

Amortisation of VOBA
The main contributor to VOBA is Millenniumbcp Ageas. The expected amortisation expenses is as follows.

	Estimated amortisation of VOBA
2022	10
2023	8
2024	6
2025	9
Total	**33**

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Shareholders' equity

The following table shows the composition of shareholders' equity as at 31 December 2021.

Share capital	
Ordinary shares	1,502
Share premium reserve	2,051
Other reserves	3,640
Currency translation reserve	29
Net result attributable to shareholders	845
Unrealised gains and losses	3,847
Shareholders' equity	**11,914**

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 (2021-2023) by the General Meeting of Shareholders of 19 May 2021 to increase the share capital by a maximum amount of EUR 150,000,000 for general purposes.

Applied to a fraction value of EUR 7.86, this enables the issuance of up to 19,000,000 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).

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 (5.3 million) consists of shares held for the FRESH (1.2 million), shares underlying repurchased FRESH securities (2.8 million) and the remaining shares resulting from the share buy-back programme (1.3 million) of which 0.1 million shares are used for the vesting of the restricted share programme.

Extinguishment of FRESH securities

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 for a cash payment of EUR 513 million. The purchased FRESH securities were exchanged into 2,599,206 underlying shares of ageas SA/NV on 13 January 2020.

On 2 April 2020, Ageas purchased an additional number of FRESH securities from an external third party, which were further exchanged into 150,000 underlying shares of ageas SA/NV.

These shares remain on the Group's statement of financial position as treasury shares and continue not to be entitled to dividends or voting rights. Details of the FRESH securities are provided in note 20 Subordinated liabilities.

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 19 May 2021 approved the cancellation of 3,520,446 shares. As a result, the total number of issued shares is reduced to 191,033,128.

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 2020	**198,374**	**(7,820)**	**190,554**
Cancelled shares	(3,821)	3,821	
Balance (acquired)/sold		(3,592)	(3,592)
Number of shares as at 31 December 2020	**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**

18.3 Shares entitled to dividend and voting rights

in thousands	
Number of shares issued as at 31 December 2021	**191,033**
Shares not entitled to dividend and voting rights:	
Shares held by ageas SA/NV	4,051
Shares related to FRESH (see note 20)	1,219
Shares related to CASHES (see notes 23 and 43)	3,959
Shares entitled to voting rights and dividend	**181,804**

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 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**

31 December 2020	Available for sale investments	Reclassified to held to maturity investments	Revaluation of associates and joint ventures	Cash flow hedges	DPF component	Total
Gross	9,899	(33)	1,300	(22)		11,144
Related tax	(2,415)	8		1		(2,406)
Shadow accounting	(5,042)					(5,042)
Related tax	1,302					1,302
Non-controlling interests	(890)	10	23	2		(855)
Discretionary participation feature (DPF)	19				(19)	
Total	**2,873**	**(15)**	**1,323**	**(19)**	**(19)**	**4,143**

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 2020	**8,660**	**(38)**	**1,156**	**(54)**	**9,724**
Changes in unrealised gains (losses) during the year	1,539		144	5	1,688
Reversal unrealised (gains) losses because of sales	(221)			20	(201)
Reversal unrealised losses because of impairments	(53)				(53)
Acquisition and divestments of equity accounted investments	(26)				(26)
Amortisation		4			4
Foreign exchange differences and other		1		7	8
Gross unrealised gains (losses) as at 31 December 2020	**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**

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 2021

Ageas's solvency and cash position have shown great resilience over the past year and its operations remain strong. As a result, the Ageas Board of Directors proposes in full respect of the guidance issued by the National Bank of Belgium, to distribute a gross cash dividend of EUR 2.75 per share over the financial year 2021. This corresponds to a pay-out ratio of 52% on the Group net result excluding the impact from RPN(I) and the FRESH operation.

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.

	2021	2020
Return on equity Insurance (excluding unrealised gains & losses)	13.0%	12.4%

18.8 Earnings per share

The following table details the calculation of earnings per share.

	2021	2020
Net result attributable to shareholders	**845**	**1,141**
Weighted average number of ordinary shares for basic earnings per share (in thousands)	186,765	187,938
Adjustments for:		
- restricted shares (in thousands) expected to be awarded	140	159
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	**186,905**	**188,097**
Basic earnings per share (in euro per share)	4.52	6.07
Diluted earnings per share (in euro per share)	4.52	6.06

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 2021	31 December 2020
Liability for future policyholder benefits	26,561	26,516
Reserve for policyholder profit sharing	245	182
Shadow accounting	1,884	3,292
Before eliminations	**28,690**	**29,990**
Eliminations	(17)	(17)
Gross	**28,673**	**29,973**
Reinsurance	(13)	(34)
Net	**28,660**	**29,939**

Changes in the liabilities arising from Life insurance contracts (gross of reinsurance and before eliminations) are shown below.

	2021	2020
Balance as at 1 January	**29,990**	**28,773**
Gross inflow	2,023	2,064
Time value	601	662
Payments due to surrenders, maturities and other	(1,783)	(2,084)
Transfer of liabilities	(80)	267
Shadow accounting adjustment	(1,350)	835
Other changes, including risk coverage	(711)	(527)
Balance as at 31 December	**28,690**	**29,990**

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 2021 and 2020.

19.2 Liabilities arising from Life investment contracts

	31 December 2021	31 December 2020
Liability for future policyholder benefits	29,256	29,672
Reserve for policyholder profit sharing	286	250
Shadow accounting	1,075	1,707
Gross	**30,617**	**31,629**

	2021	2020
Balance as at 1 January	**31,629**	**32,243**
Gross inflow	1,928	1,800
Time value	319	307
Payments due to surrenders, maturities and other	(2,289)	(2,608)
Transfer of liabilities	(255)	(350)
Shadow accounting adjustment	(632)	312
Other changes, including risk coverage	(83)	(75)
Balance as at 31 December	**30,617**	**31,629**

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 2021 and 2020.

19.3 Liabilities related to unit-linked contracts

	31 December 2021	31 December 2020
Insurance contracts	3,352	2,904
Investment contracts	15,549	14,186
Total	**18,901**	**17,090**

The following table shows the changes in liabilities related to unit-linked insurance contracts.

	2021	2020
Balance as at 1 January	**2,904**	**2,741**
Gross inflow	394	294
Changes in fair value / time value	280	66
Payments due to surrenders, maturities and other	(204)	(152)
Transfer of liabilities	(11)	(34)
Other changes, including risk coverage	(11)	(11)
Balance as at 31 December	**3,352**	**2,904**

The following table shows the changes in liabilities related to unit-linked investment contracts.

	2021	2020
Balance as at 1 January	**14,186**	**13,697**
Gross inflow	1,825	1,056
Changes in fair value / time value	1,019	323
Payments due to surrenders, maturities and other	(1,809)	(1,298)
Transfer of liabilities	367	442
Foreign exchange differences	1	(3)
Other changes, including risk coverage	(40)	(31)
Balance as at 31 December	**15,549**	**14,186**

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 2021	31 December 2020
Claims reserves	7,620	7,076
Unearned premiums	1,730	1,614
Reserve for policyholder profit sharing	38	11
Before eliminations	**9,437**	**8,744**
Eliminations	(1,548)	(1,340)
Gross	**7,889**	**7,404**
Reinsurance	(789)	(686)
Net	**7,100**	**6,718**

Changes in the liabilities arising from insurance contracts for Non-life insurance contracts (gross of reinsurance and before eliminations) are shown below.

		2021		2020
Balance as at 1 January		**8,744**		**8,588**
Acquisitions/divestments of subsidiaries				
Addition to liabilities current year	3,131		2,559	
Claims paid current year	(1,481)		(1,223)	
Change in liabilities current year	1,650		1,336	
Addition to liabilities prior years	(285)		(227)	
Claims paid prior years	(1,066)		(1,188)	
Change in liabilities prior years	(1,351)		(1,415)	
Change in liabilities (current and prior years)		300		(79)
Change in unearned premiums		(14)		22
Transfer of liabilities		(70)		(106)
Foreign exchange differences		170		(140)
Other changes		307		459
Balance as at 31 December		**9,437**		**8,744**

19.5 Insurance Liabilities Adequacy Testing

The tests carried out at 2021 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 2021	Total Non-life	Non-life gross liability split: Unearned Premium	Claims Outstanding	Total Life	Life gross liability split: Unit-Linked	Life Guaranteed
Belgium	4,345	363	3,933	63,003	12,387	50,616
UK	2,605	708	1,897			
Continental Europe	844	200	644	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**

31 December 2020	Total Non-life	Non-life gross liability split: Unearned premium	Claims outstanding	Total Life	Life gross liability split: Unit-linked	Life Guaranteed
Belgium	4,086	355	3,689	62,878	10,654	52,224
UK	2,427	691	1,736			
Continental Europe	843	192	651	15,821	6,436	9,385
Reinsurance	1,388	376	1,012	7		7
Eliminations	(1,340)		(1,341)	(14)		(14)
Insurance total	**7,404**	**1,614**	**5,747**	**78,692**	**17,090**	**61,602**

20 Subordinated liabilities

	31 December 2021	31 December 2020
Issued by Ageasfinlux S.A.		
FRESH Restricted Tier 1 Notes	384	384
Issued by ageas SA/NV		
Perpetual Subordinated Fixed Rate Resettable		
Temporary Write-Down Restricted Tier 1 Notes	744	750
Subordinated Fixed to Floating Rate Tier 2 Notes	989	994
Issued by AG Insurance		
Subordinated Fixed to Floating Rate Tier 2 Loan	74	74
Fixed Rate Reset Dated Subordinated Tier 2 Notes	398	397
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	**2,748**	**2,758**

	31 December 2021	31 December 2020
Balance as at 1 January	**2,758**	**3,117**
Proceeds from issuance		498
Redemption		(507)
Realised Gains		(359)
Foreign exchange differences and other	(10)	9
Balance as at 31 December	**2,748**	**2,758**

Most of the outstanding subordinated liabilities as at 31 December 2021 are positions with a maturity of more than 5 years.

20.1
FRESH Grandfathered Restricted Tier 1 Notes

On 7 May 2002, Ageasfinlux SA 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 is rated A- by Standard & Poor's, Baa2 by Moody's and BBB by Fitch.

The securities were issued by Ageasfinlux SA, 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-obligor with respect to the principal amount are the currently outstanding 1.2 million Ageas shares that Ageasfinlux SA pledges 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 2021 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. Please refer to note 32 for the resulting impact on profit or loss of these FRESH tenders. 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.

20.2
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
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 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 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 as a partial replacement for the USD 550 million which had been redeemed in March 2019. The intercompany loan between Ageas and AG Insurance is eliminated at Ageas group level.

20.6 Fixed Rate Reset Dated Subordinated Tier 2 Notes

On 31 March 2015, AG Insurance issued EUR 400 million Fixed Rate Subordinated Tier 2 Securities 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 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 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 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 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 2021	31 December 2020
Repurchase agreements	2,078	2,312
Loans	838	898
Due to banks	**2,916**	**3,210**
Funds held under reinsurance agreements	74	77
Lease liabilities	560	570
Other borrowings	66	63
Total borrowings	**3,616**	**3,920**

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 166 million (2020: EUR 173 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 2021	31 December 2020
Balance as at 1 January	**3,920**	**2,956**
Proceeds from issuance	73	1,053
Payments	(375)	(90)
Foreign exchange differences and other changes	(2)	1
Balance as at 31 December	**3,616**	**3,920**

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 2021	31 December 2020
Less than 1 year	2,898	2,554
1 year to 3 years	28	358
3 years to 5 years	36	310
More than 5 years	94	128
Total	**3,056**	**3,350**

Lease obligations as lessee (undiscounted)

	Minimum lease payments	
	2021	2020
Less than 1 year	80	82
1 year to 2 years	77	74
2 years to 3 years	64	72
3 years to 4 years	58	58
4 years to 5 years	47	51
More than 5 years	440	441
Total	**766**	**778**
Annual rental expense	6	5
Future finance charges	206	208

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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	
	2021	2020	2021	2020
Deferred tax assets related to:				
Financial investments (available for sale)	14	13	1	8
Investment property	13	9	4	1
Loans to customers	2	2		1
Property, plant and equipment	42	41		(1)
Intangible assets (excluding goodwill)	8	8		
Insurance policy and claim reserves	664	1,111		(15)
Debt certificates and subordinated liabilities				
Provisions for pensions and post-retirement benefits	84	121		6
Other provisions	8	10	(1)	
Accrued expenses and deferred income		1	(1)	1
Unused tax losses	106	98	4	(6)
Other	100	98	2	3
Gross deferred tax assets	**1,041**	**1,512**	**9**	**(2)**
Unrecognised deferred tax assets	(28)	(27)		
Net deferred tax assets	**1,013**	**1,485**	**9**	**(2)**
Deferred tax liabilities related to:				
Financial investments (available for sale)	1,489	2,079	(2)	(3)
Investment property	98	94	(3)	5
Loans to customers	2	1	(1)	
Property, plant and equipment	124	135	9	4
Intangible assets (excluding goodwill)	80	84	3	4
Debt certificates and subordinated liabilities	1			
Other provisions	11	7	(4)	(10)
Deferred policy acquisition costs	36	33	(3)	(1)
Deferred expense and accrued income	1	1		
Tax exempt realised reserves	21	23	2	2
Other	21	34	6	7
Total deferred tax liabilities	**1,884**	**2,492**	**7**	**8**
Deferred tax income (expense)			**16**	**6**
Net deferred tax	**(871)**	**(1,007)**		

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.

	2021	2020
Deferred tax asset	100	98
Deferred tax liability	971	1,105
Net deferred tax	**(871)**	**(1,007)**

As at 31 December 2021, the current and deferred tax recorded in total equity amount to EUR 42 million and EUR 900 million respectively. (2020: EUR 54 million and EUR 1,050 million)

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 79 million (2020: EUR 71 million). The tax losses that have not been recognised amount to EUR 3,200 million at 31 December 2021 (2020: EUR 3,308 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 convertible securities that convert 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 parts of the Fortis Group, introduced a Relative Performance Note, designed to avoid accounting volatility on the Ageas shares and on the at fair value valued CASHES 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 in the market. 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 converted 7,553 tendered CASHES securities into Ageas shares; Ageas agreed to pay a EUR 287 million indemnity to BNP Paribas as the conversion triggered a pro rata cancellation of the RPN(I) liability.

In May 2015 Ageas and BNP Paribas agreed that BNP Paribas can purchase CASHES from individual investors at any given time, under the condition that the purchased securities are converted into Ageas shares; at such conversion the pro rata part of the RPN(I) liability is paid to BNP Paribas, while Ageas receives a break-up fee which is subject to the price at which BNP Paribas succeeds to purchase CASHES.

BNP Paribas purchased and converted 656 CASHES under this agreement in the first nine months 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 has not been renewed.

At 31 December 2021, 3,791 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 converts, less
- the difference between EUR 3,000 million par issuance and the market value of the CASHES as quoted by the Luxembourg Stock Exchange, multiplied by
- the number of CASHES securities outstanding (3,791 at 31 December 2021) 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 6.3% 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 Ageas share price. The reference amount increased from EUR 420 million at year-end 2020 to EUR 520.4 million at 31 December 2021, predominantly driven by the increase in CASHES price from 84.17% at 31 December 2020 to 95.61% at 31 December 2021, which was only partly compensated by the increase of the Ageas share price from EUR 43.58 to EUR 45.55 over the same period.

Sensitivity of RPN(I) Value

At 31 December 2021, each 1% increase in the CASHES price, expressed as a percentage of its par value, leads to an increase of EUR 9.5 million in the reference amount, while each EUR 1.00 increase in the Ageas share price decreases the reference amount by EUR 4 million.

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Accrued interest and other liabilities

	31 December 2021	31 December 2020
Deferred revenues	155	139
Accrued finance costs	50	57
Accrued other expenses	101	99
Derivatives held for hedging purposes	26	27
Derivatives held for trading	15	8
Defined benefit pension liabilities	808	870
Defined benefit liabilities other than pension	137	153
Termination benefits	5	4
Other long-term employee benefit liabilities	17	18
Short-term employee benefit liabilities	107	92
Liabilities related to written put options on NCI	108	101
Accounts payable	213	261
Due to agents, policyholders and intermediaries	485	509
VAT and other taxes payable	167	149
Dividends payable	16	16
Due to reinsurers	25	31
Other liabilities	399	400
Total	**2,834**	**2,934**

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, cash received awaiting allocation to investments and small expenses to be paid.

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 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**

31 December 2020	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Undiscounted cashflow	1,162	169	4	33
Total	**1,162**	**169**	**4**	**33**

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 (the “Settlement”) 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 is reasonable and that the claimant organisations Deminor, SICAF and FortisEffect are 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 is final. The claims filing period started on 27 July 2018 and ended on 28 July 2019. As at 31 December 2021, an amount of EUR 1,199 million had already been paid out to Eligible Shareholders.

The main components of the EUR 114 million provision as at 31 December 2021 (31 December 2020: 246 million) are:

- EUR 1,309 million related to the WCAM settlement agreement;
- EUR 5 million related to the tail risk, including accrued expenses;
- minus EUR 1,199 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 2021	31 December 2020
Balance as at 1 January	**322**	**582**
Acquisition and divestment of subsidiaries		
Increase (Decrease) in provisions	(15)	(36)
Utilised during the year	(127)	(223)
Foreign exchange differences and other	2	(1)
Balance as at 31 December	**182**	**322**

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. 2021	Equity as at 31 Dec. 2021	% of non-Controlling interest	Result as at 31 Dec. 2020	Equity as at 31 Dec. 2020
Group company						
AG Insurance (Belgium)	25.0%	95	1,617	25.0%	97	1,637
AG Real Estate (part of AG Insurance)						
mainly Interparking						
NCI for 49% held	25.0%	43	352	25.0%	24	322
by minority shareholders						
of AG Real Estate						
Millenniumbcp Ageas (part of CEU)	49.0%	34	286	49.0%	39	258
Other		(1)	3		(1)	2
Total NCI		**171**	**2,258**		**159**	**2,219**

Non-controlling interest (NCI) represents the participation of a third party in the shareholders' equity of Ageas's subsidiaries.

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 109 million (2020: EUR 100 million).

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. 2021	Liabilities as at 31 Dec. 2021	Equity as at 31 Dec. 2021	Assets as at 31 Dec. 2020	Liabilities as at 31 Dec. 2020	Equity as at 31 Dec. 2020
Subsidiary						
Millenniumbcp Ageas	10,226	9,846	379	10,848	10,526	322

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 2021			31 December 2020		
	Fair values			Fair values		
	Assets	Liabilities	Notional amount	Assets	Liabilities	Notional amount
Foreign exchange contracts						
Forwards and futures	2	14	346	14	1	560
Swaps			8			6
Total	**2**	**14**	**354**	**14**	**1**	**566**
Interest rate contracts						
Swaps	4		174	2	7	213
Total	**4**		**174**	**2**	**7**	**213**
Equity/Index contracts						
Options and warrants			10			
Total			**10**			
Other		1				
Total	**6**	**15**	**538**	**16**	**8**	**779**
Fair values supported by observable market data						
Fair values obtained using a valuation model	6	15		16	8	
Total	**6**	**15**		**16**	**8**	
Over the counter (OTC)	6	15	538	16	8	779
Total	**6**	**15**	**538**	**16**	**8**	**779**

Hedging derivatives

	31 December 2021			31 December 2020		
	Fair values			Fair values		
	Assets	Liabilities	Notional amount	Assets	Liabilities	Notional amount
Foreign exchange contracts						
Forwards and futures	6	12	183	3		140
Total	**6**	**12**	**183**	**3**		**140**
Interest rate contracts						
Swaps	28	14	1,233		27	834
Total	**28**	**14**	**1,233**		**27**	**834**
Total	**34**	**26**	**1,416**	**3**	**27**	**974**
Fair values supported by observable market data		11		3	20	
Fair values obtained using a valuation model	34	15			7	
Total	**34**	**26**		**3**	**27**	
Over the counter (OTC)	34	26	1,416	3	27	974
Total	**34**	**26**	**1,416**	**3**	**27**	**974**

28 Commitments

Commitments received and given are detailed as follows.

Commitments	31 December 2021	31 December 2020
Commitment Received		
Credit lines	1,071	1,114
Collateral and guarantees received	4,182	4,435
Other off-balance sheet rights	207	38
Total received	**5,460**	**5,587**
Commitment Given		
Guarantees, Financial and Performance Letters of Credit	199	292
Available credit lines	1,024	982
Collateral and guarantees given	2,184	2,459
Entrusted assets and receivables	738	1,006
Capital rights & commitments	292	189
Real Estate commitments	531	419
Other off-balance sheet commitments	1,297	961
Total given	**6,265**	**6,308**

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 2021 include EUR 521 million in outstanding credit bids (31 December 2020: EUR 185 million).

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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	31 December 2021 Carrying value	31 December 2021 Fair value	31 December 2020 Carrying value	31 December 2020 Fair value
Assets					
Cash and cash equivalents	2	1,937	1,937	2,241	2,241
Financial Investments held to maturity	1	4,351	6,497	4,416	7,101
Loans	2	14,492	15,452	13,398	14,936
Reinsurance and other receivables	2	2,149	2,146	1,961	1,961
Total financial assets		**22,929**	**26,032**	**22,016**	**26,239**
Liabilities					
Subordinated liabilities	2	2,748	2,757	2,758	2,847
Borrowings, excluding lease liabilities	2	3,056	3,056	3,350	3,363
Total financial liabilities		**5,804**	**5,813**	**6,108**	**6,210**

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.

	2021	2020
Gross inflow Life	6,218	5,197
Gross inflow Non-life	4,589	4,298
General account and eliminations	(2)	(3)
Total gross inflow	**10,805**	**9,492**

	2021	2020
Net earned premiums Life	4,364	4,111
Net earned premiums Non-life	4,171	3,893
General account and eliminations	(2)	(2)
Total net earned premiums	**8,533**	**8,002**

Life

	2021	2020
Unit-linked insurance contracts		
Single written premiums	236	178
Periodic written premiums	250	115
Total unit-linked insurance contracts	**486**	**293**
Non unit-linked insurance contracts		
Single written premiums	354	338
Periodic written premiums	872	969
Group business total	*1,226*	*1,307*
Single written premiums	322	321
Periodic written premiums	431	421
Individual business total	*753*	*742*
Total non unit-linked insurance contracts	**1,979**	**2,049**
Investment contracts with DPF		
Single written premiums	1,427	1,278
Periodic written premiums	500	521
Total investment contracts with DPF	**1,927**	**1,799**
Gross premium income Life	**4,392**	**4,140**
Single written premiums	1,752	1,012
Periodic written premiums	74	45
Premium inflow deposit accounting	**1,826**	**1,057**
Gross inflow Life	**6,218**	**5,197**

	2021	2020
Gross premiums Life	4,392	4,140
Ceded reinsurance premiums	(28)	(29)
Net earned premiums Life	**4,364**	**4,111**

Non-life

Property & Casualty includes premiums received for motor, fire and other damage to property.

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**

2020	Accident & Health	Property & Casualty	Total
Gross written premiums	969	3,329	4,298
Change in unearned premiums, gross	6	(29)	(23)
Gross earned premiums	**975**	**3,300**	**4,275**
Ceded reinsurance premiums	(42)	(339)	(381)
Reinsurers' share of unearned premiums	(2)	1	(1)
Net earned premiums Non-life	**931**	**2,962**	**3,893**

Below is a breakdown of the Non-life net earned premiums by insurance operating segment.

2021	Accident & Health	Property & Casualty	Total
Belgium	548	953	1,501
UK	6	785	791
Continental Europe	245	203	448
Reinsurance	242	1,193	1,435
Elimination		(4)	(4)
Net earned premiums Non-life	**1,041**	**3,130**	**4,171**

2020	Accident & Health	Property & Casualty	Total
Belgium	473	904	1,377
UK	15	597	612
Continental Europe	219	158	377
Reinsurance	224	1,302	1,526
Elimination		1	1
Net earned premiums Non-life	**931**	**2,962**	**3,893**

31

Interest, dividend and other investment income

	2021	2020
Interest income		
Interest income on cash & cash equivalents	2	3
Interest income on loans to banks	25	19
Interest income on investments	1,355	1,446
Interest income on loans to customers	292	259
Interest income on derivatives held for trading and other	9	3
Total interest income	**1,683**	**1,730**
Dividend income from equity securities	161	128
Rental income from investment property	211	206
Rental income from parking garage	346	302
Other investment income	26	26
Total interest, dividend and other investment income	**2,427**	**2,392**

Rental income from car parks in 2021 and 2020 has been adversely impacted by the Covid-19 pandemic, especially for airport and city centre car parks.

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Result on sales and revaluations

	2021	2020
Debt securities classified as available for sale	17	50
Equity securities classified as available for sale	120	24
Financial instruments held for trading	9	1
Investment property	115	157
Capital gain (losses) on sale of shares of subsidiaries	1	26
Equity accounted investments	23	40
Property, plant and equipment	8	(1)
Assets and liabilities held at fair value		
through profit or loss	10	(3)
Hedging results	(5)	(14)
Other	(4)	359
Total Result on sales and revaluations	**294**	**639**

In 2021, equity markets recovered from the decline caused by the covid-19 pandemic in 2020 and higher realised gains were achieved in 2021.

The line 'Other' in 2020 is mainly linked to the tender operation on the FRESH securities in the first quarter, followed by the repurchase of an additional number of FRESH securities in the second quarter. The two transactions generated a gain of EUR 332 million, net of the result on the associated interest rate swap.

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Investment income related to unit-linked contracts

	2021	2020
(Un)realised gains (losses) - insurance contracts	268	55
(Un)realised gains (losses) - investment contracts	964	453
(Un)realised gains (losses)	**1,232**	**508**
Investment income - insurance contracts	15	8
Investment income - investment contracts	159	(32)
Realised investment income	**174**	**(24)**
Total investment income related to unit-linked contracts	**1,406**	**484**

34 Fee and commission income

	2021	2020
Reinsurance commissions	107	98
Insurance and investment fees	245	168
Asset management	32	28
Guarantees and commitment fees	1	1
Other service fees	82	90
Total fee and commission income	**467**	**385**

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

	2021	2020
Proceeds of sale of property intended for sale	128	60
Recovery of staff and other expenses from third parties	27	26
Other	127	115
Total other income	**282**	**201**

Other income includes the sales of buildings held for resale related to AGRE real estate development projects for an amount of EUR 128.3 million (EUR 60.4 million last year), the re-invoicing of service costs related to rental activities, the turnover of the service companies and the recovery of staff and other expenses from third parties.

36 Insurance claims and benefits

	2021	2020
Life insurance	4,897	4,623
Non-life insurance	2,578	2,194
General account and eliminations	(4)	(2)
Total insurance claims and benefits, net	**7,471**	**6,815**

	2021	2020
Benefits and surrenders, gross	4,805	5,098
Change in liabilities arising from insurance and investment contracts, gross	109	(453)
Total Life insurance claims and benefits, gross	**4,914**	**4,645**
Reinsurers' share of claims and benefits	(17)	(22)
Total Life insurance claims and benefits, net	**4,897**	**4,623**

	2021	2020
Claims paid, gross	2,547	2,411
Change in liabilities arising from insurance contracts, gross	300	(79)
Total Non-life insurance claims and benefits, gross	**2,847**	**2,332**
Reinsurers' share of claims paid	(193)	(157)
Reinsurers' share of change in liabilities	(76)	19
Total Non-life insurance claims and benefits, net	**2,578**	**2,194**

37 Financing costs

	2021	2020
Subordinated liabilities	85	78
Lease liability	17	16
Borrowings from banks	19	17
Derivatives	5	7
Other	12	21
Total financing costs	**138**	**139**

38 Change in impairments

	2021	2020
Investments in equity securities and other	34	152
Investments in debt securities		2
Investment property		1
Loans		2
Reinsurance and other receivables	3	15
Property, plant and equipment		
Goodwill and other intangible assets	2	
Accrued interest and other assets	2	
Total change in impairments	**41**	**172**

The level of impairments on equity securities in 2020 reflects the adverse equity market movements induced by the Covid-19 pandemic, especially in the first and second quarter of the year. The increase in impairments in 2020 on reinsurance and other receivables relates to Covid-19 related rent concessions that Ageas gave as lessor for the lease of retail property and office buildings.

39
Fee and commission expenses

	2021	2020
Securities	4	6
Intermediaries	1,154	1,084
Asset management fees	6	6
Custodian fees	6	6
Other fee and commission expenses	43	36
Total fee and commission expenses	**1,213**	**1,138**

40 Staff expenses

	2021	2020
Salaries and wages	590	583
Social security charges	129	126
Pension expenses relating to defined benefit pension plans	57	54
Defined contribution plan expenses	11	11
Share-based compensation	7	3
Other	58	57
Total staff expenses	**852**	**834**

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

	2021	2020
Depreciation on tangible assets		
Buildings held for own use and car parks	103	103
Leasehold improvements	5	5
Investment property	97	94
Equipment	32	34
Amortisation of intangible assets		
Purchased software	7	7
Internally developed software	4	3
Value of business acquired (VOBA)	11	13
Other intangible assets	30	28
Other		
Other rental expenses and related expenses	18	18
Variable Lease Payments	51	48
Operating and other direct expenses relating to investment property	51	51
Operating and other direct expenses relating to property for own use	53	57
Professional fees	121	126
Capitalised deferred acquisition costs	(416)	(418)
Depreciation deferred acquisition costs	418	423
Marketing and public relations costs	62	60
Information technology costs	197	174
Maintenance and repair expenses	19	23
Cost of sale of property intended for sale	116	53
Other	290	263
Total other expenses	**1,269**	**1,165**

Ageas's car park operator has arrangements whereby a variable lease is paid for car parks. Variable lease expense reflects lower turnover in these car parks in both 2021 and 2020 as a result 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 2021 and 2020, 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.

		2021		2020
	Ageas Statutory Auditors	Other Ageas Auditors	Ageas Statutory Auditors	Other Ageas Auditors
Audit fees	4	2	4	1
Audit-related fees	1		1	
Tax fees				
Other non-audit fees				
Total	**5**	**2**	**5**	**1**

42 Income tax expenses

	2021	2020
Current tax expenses for the current period	235	255
Adjustments recognised in the period for current tax of prior periods	(4)	(16)
Total current tax expenses	**231**	**239**
Deferred tax arising from the current period	(5)	(15)
Impact of changes in tax rates on deferred taxes	(11)	(5)
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		14
Total deferred tax expenses (income)	**(16)**	**(6)**
Total income tax expenses (income)	**215**	**233**

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.

	2021	2020
Result before taxation	1,231	1,533
Applicable group tax rate	25.00%	25.00%
Expected income tax expense	308	383
Increase (decrease) against local tax rates resulting from:		
Tax exempt income (including dividend and capital gains)	(29)	(73)
Share in net result of associates and joint ventures	(111)	(81)
Disallowed items	21	16
Previously unrecognised tax losses and temporary differences		(80)
Write-down and reversal of write-down of deferred tax assets, including current year tax-losses deemed non-recoverable	33	23
Impact of changes in tax rates on temporary differences	(11)	(5)
Foreign tax rate differential		
Adjustments for current and deferred tax of previous years	(4)	(17)
Deferred tax on investments in subsidiaries, associates and joint ventures	19	24
Local income taxes (state/city/cantonal/communal taxes)		
Other	(11)	43
Actual income tax expenses (income)	**215**	**233**

F

Notes to items not recorded in the consolidated statement of financial position

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 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 will 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 are 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 file a claim form, are, 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 2021, an amount of EUR 1,199 million had already been paid out to Eligible Shareholders and a remaining provision of EUR 114 million had been recognised for the settlement (see note 25 Provisions).

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 2021, or not terminated by 31 December 2021. These constitute contingent liabilities without provisions.

1. In the Netherlands

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.

1.2 Dutch individual investor

On 29 January 2021, a Dutch individual investor initiated legal proceedings against Ageas. He claims 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 are now exchanging written submissions.

2. In Belgium

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. 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. The proceedings are now reactivated and the parties are exchanging written submissions. Nothing is claimed anymore from Ageas in these proceedings.

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; we expect these proceedings to be effectively terminated shortly.

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 have exchanged written submissions and are now 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 is suspended awaiting the outcome of the criminal proceedings. The parties are in the course of terminating these proceedings; we expect these proceedings to be effectively terminated shortly.

On 19 September 2013, certain (former) Fortis shareholders represented by Mr Lenssens initiated a similar action before the Brussels Civil Court; this action is suspended awaiting the outcome of the criminal proceedings. The parties are in the course of terminating these proceedings; we expect these proceedings to be effectively terminated shortly.

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
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, 3,791 securities remain outstanding, representing a nominal amount of EUR 948 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 3,958,859 Ageas shares for the purpose of the potential exchange.

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 conversion 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.

43.3
Other contingent liabilities

Furthermore, certain individual customers of Ageas France, a fully owned subsidiary of Ageas Insurance International, filed claims against Ageas France in connection with its alleged unilateral modification of the terms and conditions of a unit-linked product by on-charging certain transaction fees. In addition to claiming reimbursement of these fees, plaintiffs also claimed prejudice for lost opportunities for arbitrating between Unit-linked funds and a guaranteed fund using latest known value dates, as well as prohibition for on-charging of the fees. In November 2014, Paris Appeal Court confirmed the first instance decision allowing the claims and appointed experts to determine the scope of indemnification. Following an appeal filed by Ageas France with the French Supreme Court, on 8 September 2016 the French Supreme Court substantially annulled the Paris Appeal Court decision and referred the case to the Versailles Appeal Court. The proceedings before the Versailles Appeal Court have been abandoned. A proceeding in first instance, which had been put on hold for several years, awaiting the decision of the French Supreme Court, has been reactivated by 2 plaintiffs. A hearing was held in the first half of October 2019; parties agreed to settle in December 2021. These proceedings are now terminated.

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Events after the date of the statement of financial position

On 15 February 2022, Ageas announced that its subsidiary Ageas UK Ltd had concluded an agreement with AXA Insurance UK PLC to sell its Commercial lines front book business. At the level of the Ageas Group the transaction will have an initial positive impact of EUR 45.5 million on the net results, which will be recorded in the first half of 2022.

Ageas is carefully monitoring the developing situation in Ukraine and Russia, in particular with regards to indirect macro-economic effects such as the future evolution of interest rates and inflation in markets where we are active. The Group is not active in either country through subsidiaries or affiliates. Foreseeable direct impacts are judged to be immaterial, considering the insignificant direct exposure the Group has to these markets.

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 2021 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 29 March 2022 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 18 May 2022.

Brussels, 29 March 2022

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
	Lionel Perl
	Lucrezia Reichlin
	Katleen Vandeweyer
	Jan Zegering Hadders
	Sonali Chandmal
	Jean-Michel Chatagny

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 2021

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 four 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 2021, 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 111.139 million and a consolidated income statement which results in a profit for the year ("Net result for the period") of EUR 1.016 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 2021, 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 2021, the technical provisions amount to EUR 86.080 million as detailed in note 19 to the consolidated financial statements and represent approximately 77% 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 decrease 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 valuation experts, 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 "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 2021 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, 29 March 2022

The Statutory auditor
PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV
Represented by

Roland Jeanquart Réviseur d'Entreprises / Bedrijfsrevisor	Kurt Cappoen Réviseur d'Entreprises / Bedrijfsrevisor

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ageas SA/NV Statutory Accounts 2021

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 Rue du Marquis 1, 1000 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 can be inspected 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 stated in the additional disclosures are denominated 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.

Internal Reinsurance operations (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 operations 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 2021 a net profit of EUR 505 million (2020: EUR 672 million) and a shareholders' equity of EUR 5,570 million (2020: EUR 5,687 million).

1.2 Notes to the balance sheet and income statement

1.2.1 Assets

1.2.1.1 Intangible fixed assets
(2021: EUR 12 million; 2020: EUR 13 million)

1.2.1.2 Investments
(2021: EUR 9,199 million; 2020: EUR 9,032 million)

Investments in participating interests (EUR 7,359 million)
The investments in Ageas Insurance International (EUR 6,436 million) and Royal Park Investments (EUR 0.03 million) showed a small decrease compared to 31 December 2020 (small decrease due to further capital reduction in Royal Park Investments).

Notes, bonds and receivables consist of loans to affiliates (EUR 923 million) and participating interest (EUR 6,436 million). The large movement compared to last year stems from new loans (EUR 40 million – Interparking and EUR 65 million – Maybank Ageas Holding Berhad) and pay back of loans to Ageas Insurance International (EUR 176 million) and Ageas UK (EUR 9 million: i.e. EUR 20 million – partially offset by GBP FX revaluation of EUR 11 million).

Other investments (EUR 987 million)
These comprises of an equity portfolio (EUR 59 million), fixed income securities (EUR 658 million) and deposits with credit institutions (EUR 270 million).

Deposits with ceding companies (EUR 852 million)
This section comprises of deposits received related to incoming reinsurance agreements with funds withheld agreement.

1.2.1.3 Part of the reinsurer in the technical provisions
(2021: EUR 59 million; 2020: EUR 52 million)

1.2.1.4 Debtors
(2021: EUR 507 million; 2020: EUR 720 million)
Receivables include EUR 114 million related to the ForSettlement Foundation.

1.2.1.5 Other assets
(2021: EUR 337 million; 2020: EUR 319 million)

Treasury shares
(2021: EUR 197 million; 2020: EUR 272 million)
This section comprises of 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
(2021: EUR 28 million; 2020: EUR 26 million)
Accrued income relates mainly to accrued interests on intercompany loans.

1.2.2 Liabilities

1.2.2.1 Equity
(2021: EUR 5,570 million; 2020: EUR 5,687 million)

Subscribed capital
(2021: EUR 1,502 million; 2020: EUR 1,502 million)

Share premium reserve
(2021: EUR 2,051 million; 2020: EUR 2,051 million)

Legal reserve
(2021: EUR 125 million; 2020: EUR 100 million)
5 percent of the profit available for appropriation was allocated to the legal reserve.

Reserves not available for distribution
(2021: EUR 219 million; 2020: EUR 294 million)
Reserves not available for distribution are set up for own shares held by ageas and by affiliates.

Reserves available for distribution
(2021: EUR 813 million; 2020: EUR 865 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 (EUR 56 million).

Profit/loss carried forward
(2021: EUR 860 million; 2020: EUR 875 million)
The 2021 financial year closed with a profit of EUR 505 million. After profit appropriation to the legal reserves (EUR 25 million) and the proposed dividend (EUR 495 million, i.e. EUR 2.75 per share), the profit to be carried forward amounts to EUR 860 million.

1.2.2.2 Subordinated liabilities
(2021: EUR 1,745 million; 2020: EUR 1,745 million)
No changes in 2021 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.
- 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.
- 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.

1.2.2.3 Technical Provisions
(2021: EUR 1,563 million; 2020: EUR 1,373 million)
The unearned premiums reserves (EUR 332 million) and claims reserves (EUR 1,196 million) relate to intra-group incoming reinsurance programs.

An equalization reserve has been set up (EUR 34 million).

1.2.2.4 Provisions
(2021: EUR 635 million; 2020: EUR 666 million)
The decrease in the provisions is mainly explained by reduction (EUR 132 million) in the provision for the settlement mainly following payments to eligible shareholders in 2020 and the increase in the RPN(I) provision (EUR 101 million). See note 25 ‘Provisions’ of the Consolidated Financial Statements for more details.

1.2.2.5 Creditors
(2021: EUR 591 million; 2020: EUR 654 million)
The decrease in amounts payable is mainly explained by the settlement of a vendor note (EUR 107 million) partially compensated by an increase in payables relating to the reinsurance activity. (EUR 44 million).

1.2.2.6 Accruals and deferred costs
(2021: EUR 37 million; 2020: EUR 36 million)
Deferred costs mainly relate to the accrued interests on the subordinated liabilities.

1.2.3 Income statement

1.2.3.1 Balance on the technical account non-life business
(2021: EUR 84 million; 2020: EUR 54 million)
This result mainly comprises the result on the Non-Life Quota Share and Loss Portfolio Transfer incoming reinsurance contracts. The increase is mainly related to an increase in premiums received partially offset by a small increase of the claims ratio in 2021.

1.2.3.2 Balance on the technical account life business
(2021: EUR 2 million; 2020: EUR 1 million)

1.2.3.3 Non technical account: Investment income
(2021: EUR 657 million; 2020: EUR 811 million)
Investment income includes mainly the dividend received from Ageas Insurance International (EUR 612 million) and the interests on loans to affiliates (EUR 43 million).

1.2.3.4 Non technical account: Investments charges
(2021: EUR 84 million; 2020: EUR 75 million)
These charges include the interests on the subordinated liabilities (EUR 55 million).

1.2.3.5 Other income
(2021: EUR 39 million; 2020: EUR 52 million)
The decrease in other income relates to the adjustment on the ForSettlement provision (EUR 13 million).

1.2.3.6 Other charges
(2021: EUR 193 million; 2020: EUR 172 million)

The components of the charges are as follows:
- Services and miscellaneous goods....................... EUR 53 million
- Staff expenses.. EUR 30 million
- Costs settlement foundations .... EUR 7 million
- Settlement amount RPN(I).................................... EUR 101 million

1.3
Regulatory requirements (art. 3:6 and 3:32 of the Belgian Company Code)

Conflicts of interest

Due to conflicts 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 current Report of the Board of Directors.

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

Not Applicable.

1.3.4 Events after the date of the statement of financial position

There have been no material events after the date of the financial statements that would require adjustment or amounts recognised or disclosed in the Financial Statements as of 31 December 2021.

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 2021 no capital increase or issue of warrants was made.

Non-audit assignments carried out by the auditor

In 2021, the external auditor carried out an additional assignment.

Use of financial instruments

See note 4 'Risk Management' of the Consolidated Financial Statements.

Corporate Governance Statement

See Report of the Board of Directors, part 5 'Corporate Governance Statement', in the Annual Report.

Remuneration report

See Report of the Board of Directors, part 5.7 '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 ....:	Markiesstraat 1 – Box 7	
Postal code..................:	1000	
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..................:	2020-07-03	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..................:	2022-05-18
concerning the financial year covering the period from..................:	2021-01-01 to 2021-12-31
previous period from ....:	2020-01-01 to 2020-12-31

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, Markiesstraat 1 bus 7, 1000 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, Markiesstraat 1 bus 7, 1000 Brussels, Belgium, Director, mandate from 22/10/2020 to 15/05/2024
CANO Antonio, Markiesstraat 1 bus 7, 1000 Brussels, Belgium, Director, mandate from 20/05/2020 to 15/05/2024
de SELLIERS de MORANVILLE Guy, Markiesstraat 1 bus 7, 1000 Brussels, Belgium, Vice Chairman of the Board, mandate from 15/05/2019 to 17/05/2023
VANDEWEYER Kathleen, Markiesstraat 1 bus 7, 1000 Brussels, Belgium, Director, mandate from 17/05/2017 to 19/05/2021 and from 19/05/2021 to 21/05/2025
PERL Lionel, Markiesstraat 1 bus 7, 1000 Brussels, Belgium, Director, mandate from 15/05/2019 to 19/05/2021
MURPHY Jane, Markiesstraat 1 bus 7, 1000 Brussels, Belgium, Director, mandate from 20/05/2020 to 15/05/2024
COREMANS Filip, Markiesstraat 1 bus 7, 1000 Brussels, Belgium, Director, mandate from 15/05/2019 to 17/05/2023
BOIZARD Christophe, Markiesstraat 1 bus 7, 1000 Brussels, Belgium, Director, mandate from 15/05/2019 to 17/05/2023

(Page C1.a continued, if applicable)

Attached to these annual accounts are the following:
- the statutory auditors' report**
- the management report**

Total number of pages deposited: ....:
Number of the pages of the standard form not deposited for not being of service ....:

Signature	Signature
(name and function)	(name and function)
Bart De Smet - Chairman of the Board	Hans De Cuyper - CEO

* *Optional statement.*
** *Delete where appropriate.*

10					EUR		
NAT.	Date of the deposition	N°	P.	U.	D.		C1.

COMPLETE LIST WITH name, first name, profession, residence-address (address, number, postal code, municipality) and position with the enterprise of the DIRECTORS, MANAGERS and AUDITORS

JACKSON Richard, Markiesstraat 1 bus 7, 1000 Brussels, Belgium, Director, mandate from 20/05/2020 to 15/05/2024
LANG KETTERER Yvonne, Markiesstraat 1 bus 7, 1000 Brussels, Belgium, Director, mandate from 20/05/2020 to 15/05/2024
REICHLIN Lucrezia, Markiesstraat 1 bus 7, 1000 Brussels, Belgium, Director, mandate from 20/05/2020 to 15/05/2024
CHANDMAL Sonali, Markiesstraat 1 bus 7, 1000 Brussels, Belgium, Director, mandate from 16/05/2018 to 18/05/2022
VAN GRIMBERGEN Emmanuel, Markiesstraat 1 bus 7, 1000 Brussels, Belgium, Director, mandate from 15/05/2019 to 17/05/2023
HADDERS Jan Zegering, Markiesstraat 1 bus 7, 1000 Brussels, Belgium, Director, mandate from 15/05/2019 to 19/05/2021
CHATAGNY Jean-Michel, Markiesstraat 1 bus 7, 1000 Brussels, Belgium, Director, mandate from 19/05/2021 to 21/05/2025

PwC Reviseurs d'Entreprises srl / Bedrijfsrevisoren bv ,Culliganlaan 5, 1831 Diegem, Belgium
Statutory auditor, represented by Mr. CAPPOEN Kurt (membership number A01969) and JEANQUART Roland (membership number A01313)
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 31/12/2021 (in Euro units)

Assets	Codes	Current period	Previous period
A. -	**-**		
B. Intangible assets (statement 1)	**21**	11,695,245	12,728,534
I. Formation expenses	211	11,603,033	12,448,772
II. Intangible assets	212	92,212	279,762
1. Goodwill	212.1		
2. Other intangible assets	212.2	92,212	279,762
3. Prepayments	212.3		
C. Investments (statements 1, 2 and 3)	**22**	9,198,833,400	9,031,607,834
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	7,359,411,181	7,264,121,749
- Affiliated undertakings	222.1	7,293,892,953	7,262,381,935
1. Participating interests	222.11	6,436,159,584	6,436,159,584
2. Notes, bonds and receivables	222.12	857,733,369	826,222,351
- Undertakings linked by virtue of a participating interest	222.2	65,518,228	1,739,814
3. Participating interests	222.21	29,927	1,739,814
4. Notes, bonds and receivables	222.22	65,488,301	
III. Other financial investments	223	987,214,268	986,216,420
1. Equities, shares and other variable income securities (statement 1)	223.1	58,726,861	54,077,627
2. Debt securities and other fixed-income securities (statement 1)	223.2	658,480,395	582,131,782
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	270,007,011	350,007,011
7. Other	223.7		
IV. Deposits with ceding undertakings	224	852,207,952	781,269,664
D. Investments relating to operations linked to an investment fund group's "life" activities where the risk is not borne by the company i.e. Unit-Linked products	**23**		

Liabilities	Codes	Current period	Previous period
A. Shareholders' equity (statement 5)	**11**	5,570,129,147	5,687,437,539
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	1,156,654,350	1,258,977,709
1. Legal reserve	114.1	125,060,297	99,801,708
2. Unavailable reserve	114.2	218,514,432	294,312,045
a) for own shares	114.21	218,514,432	294,312,045
b) other	114.22		
3. Untaxed reserve	114.3		
4. Available reserve	114.4	813,079,621	864,863,957
V. Result carried forward	115	860,134,165	875,119,198
1. Profit carried forward	115.1	860,134,165	875,119,198
2. Loss carried forward (-)	115.2		
VI. -	-		
B. Subordinated liabilities (statements 7 and 18)	12	1,745,427,640	1,744,860,670
Bbis Funds for future dotations	**13**		
C. Technical provisions (statement 7)	**14**	1,562,792,214	1,372,683,963
I. Provisions for unearned premiums and unexpired risks	141	332,447,484	316,933,343
II. Life insurance provision	142		
III. Claims reserve	143	1,196,287,848	1,021,355,376
IV. Provision for bonuses and rebates	144		
V. Provision for equalization and catastrophes	145	34,056,882	34,395,244
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 31/12/2021 (in Euro units)

Assets	Codes	Current period	Previous period
Dbis. Reinsurers' share			
of technical provisions	**24**	58,573,396	52,013,297
I. Provisions for unearned			
premiums and unexpired risks	241	1,602,252	842,415
II. Life insurance provision	242		
III. Claims outstanding	243	56,971,143	51,170,882
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**	506,633,785	719,940,883
I. Receivables from direct			
insurance operations	411		
1. Policyholders	411.1		
2. Insurance intermediaries	411.2		
3. Other	411.3		
II. Receivables from	412		
reinsurance operations		81,891,610	15,164,021
III. Other receivables	413	424,742,175	704,776,862
IV. Subscribed capital called but not paid	414		
F. Other assets	**25**	336,958,055	319,036,790
I. Tangible assets	251	820,089	782,370
II. Cash at bank and in hand	252	139,098,212	45,596,762
III. Own shares	253	197,027,252	272,645,156
IV. Other	254	12,503	12,503
G. Accrued charges and deferred			
income (statement 4)	***431/433***	27,782,795	25,736,445
I. Accrued interest and rent	431	22,985,496	21,686,623
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	4,797,299	4,049,822
TOTAL	***21/43***	10,140,476,675	10,161,063,783

Liabilities	Codes	Current period	Previous period
E. Provisions for other risks			
and charges	**16**	634,775,225	666,042,856
I. Provisions for pensions and			
similar obligations	161		
II. Provisions for taxes	162		
III. Other provisions (statement 6)	163	634,775,225	666,042,856
F. Desposits received from			
reinsureres	**17**		
G. Debts (statements 7 and 18)	**42**	590,710,245	654,072,485
I. Payables from direct			
insurance operations	421		
II. Reinsurance payables	422		
III. Unsubordinated bonds	423	64,577,872	20,324,418
1. Convertible bonds	423.1		
2. Non-convertible bonds	423.2		
IV. Amounts payable to			
credit institutions	424		
V. Other amounts payable	425	526,132,373	633,748,067
1. Tax, salary and social liabilities	425.1	6,116,446	5,878,515
a) Taxes	425.11		
b) Remuneration		25,621	25,621
social charges	425.12	6,090,826	5,852,895
2. Other	425.2	520,015,926	627,869,552
H. Accrued charges and deferred			
income (statement 8)	***434/436***	36,642,202	35,966,269
TOTAL	***11/43***	10,140,476,675	10,161,063,783

Annex to the Royal Decree on the annual accounts of insurance companies

Chapter I. Structure of the annual accounts
Section I. Balance sheet at 31/12/2021 (in Euro units)

I. Non-life technical account

Name	Codes	Current period	Previous period
1. Premiums earned, net of reinsurance	**710**	1,414,323,152	1,343,303,325
a) Gross premiums written (statement 10)	710.1	1,512,236,974	1,406,998,161
b) Outward reinsurance premiums (-)	710.2	(83,159,518)	(55,588,030)
c) Change in the gross provisions for unearned premiums and in the provision for unexpired risks, gross amount	710.3	(15,514,141)	(8,949,221)
d) Change in provisions for unearned premiums and unexpired risks, reinsurers' share	710.4	759,837	842,415
2. Allocated investment income transferred from the non-technical account (item 6)	**711**		
2bis. Investment income	**712**	28,534,930	20,774,887
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	28,534,930	20,774,887
aa) Income from land and buildings	712.21		
bb) Income from other investments	712.22	28,534,930	20,774,887
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)	1,757,781
4. Claims incurred, net of reinsurance (-)	**610**	(856,284,152)	(771,299,681)
a) Claims paid, net of reinsurance	610.1	692,563,504	645,071,639
aa) gross amounts (statement 10)	610.11	724,373,437	651,310,261
bb) reinsurers' share (-)	610.12	(31,809,933)	(6,238,622)
b) Change in provision for claims, gross of reinsurance (increase +, decrease -)	610.2	163,720,648	126,228,042
aa) Change in provisions for claims, gross amount (statement 10) (increase +,decrease -)	610.21	169,520,909	154,721,732
bb) Change in provisions for claims, reinsurers' share (increase -, decrease +)	610.22	(5,800,261)	(28,493,690)

Annex to the Royal Decree on the annual accounts of insurance companies

Chapter I. Structure of the annual accounts
Section I. Balance sheet at 31/12/2021 (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**		
7. Net operating expenses (-)	**613**	(548,049,307)	(516,087,950)
a) Acquisition costs	613.1	552,668,944	517,802,122
b) Change in the amount of acquisition costs carried expensed in assets (increase -, decrease +)	613.2		
c) Administration expenses	613.3	2,596,568	2,687,677
d) Commissions received from reinsurers and profit-sharing (-)	613.4	(7,216,204)	(4,401,849)
7bis. Investment expenses (-)	**614**	(7,169,126)	(6,384,102)
a) Investment management expenses	614.1	7,169,126	5,742,211
b) Valuation adjustments on investments	614.2		
c) Losses on disposals	614.3		641,891
8. Other technical costs, net of reinsurance (-)	**616**	52,276,959	
9. Change in provisions for equalisation and disasters, net of reinsurance (increase -, decrease +)	**619**	(338,362)	17,773,424
10. Result of the non-life technical account			
Profit (+)	*710 / 619*	83,970,817	54,290,837
Loss (-)	*619 / 710*		

Annex to the Royal Decree on the annual accounts of insurance companies

Chapter I. Structure of the annual accounts
Section I. Balance sheet at 31/12/2021 (in Euro units)

II. Life technical account

Name	Codes	Current period	Previous period
1. Net reinsurance premiums	**720**	**44,245,200**	**14,958,856**
a) Gross premiums written (statement 10)	720.1	44,245,200	14,958,856
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**	**(36,428,975)**	**(8,308,269)**
a) Net amounts paid	620.1	31,029,408	866,965
aa) gross amounts	620.11	31,029,408	866,965
bb) reinsurers' share (-)	620.12		
b) Change in provision for claims, net of reinsurance (increase +, decrease -)	620.2	5,399,567	7,441,304
aa) Change in provisions for claims, gross from reinsurance (increase +, decrease -)	620.21	5,399,567	7,441,304
bb) Change in provisions for claims, share of reinsurers (increase -, decrease +)	620.22		

Annex to the Royal Decree on the annual accounts of insurance companies

Chapter I. Structure of the annual accounts
Section I. Balance sheet at 31/12/2021 (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**	**(6,094,077)**	**(5,277,584)**
a) Acquisition costs	623.1	5,444,935	5,235,128
b) Change in the amount of acquisition costs carried expensed in assets			
(increase -, decrease +)		0	0
c) Management costs	623.3	649,142	42,456
d) Commissions received from reinsurers and profit-sharing (-)	623.4	0	0
9. Investment expenses (-)	**624**	**0**	**0**
a) Investment management expenses	624.1	0	0
b) Valuation adjustments on investments	624.2	0	0
c) Losses on disposals	624.3	0	0
10. Valuation adjustments on investments of item D. in assets (costs) (-)	**625**	**0**	**0**
11. Other technical costs, net of reinsurance (-)	**626**	**0**	**0**
12. Allocated investment income transferred to the non-technical account			
(item 4) (-)	**627**	**0**	**0**
12bis. Change in fund for future provisions (increase -, decrease +)	**628**	**0**	**0**
13. Result of the life technical account			
Profit (+)	*720 / 628*	1,722,148	1,373,003
Loss (-)	*628 / 720*	0	0

Annex to the Royal Decree on the annual accounts of insurance companies

Chapter I. Structure of the annual accounts
Section I. Balance sheet at 31/12/2021 (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)*	83,970,817	54,290,837
Loss (-)	*(619 / 710)*	0	0
2. Result of the technical account - life insurance business (item 13)			
Profit (+)	*(720 / 628)*	1,722,148	1,373,003
Loss (-)	*(628 / 720)*	0	0
3. Investment income	**730**	**656,697,569**	**810,922,368**
a) Income from investments in affiliated undertakings or in undertakings by a participating interest	730.1	656,503,830	804,898,016
b) Income from other investments	730.2	193,739	236,700
aa) Income from land and buildings	730.21	0	0
bb) Income from other investments	730.22	193,739	236,700
c) Reversals of valuation adjustments on investments	730.3	0	0
d) Gains on the realisation of investments	730.4	0	5,787,653
4. Allocated investment income, transferred from the life technical account (item 12)	**731**	0	**0**
5. Investment expenses (-)	**630**	**(83,620,891)**	**(75,374,004)**
a) Investment management expenses	630.1	83,620,891	75,374,004
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**	**39,221,928**	**52,342,001**
8. Other charges (statement 13) (-)	**632**	**(192,746,943)**	**(171,749,888)**
8bis. Profit or loss on ordinary activities before taks			
Profit (+)	*710 / 632*	505,244,628	671,804,316
Loss (-)	*632 / 710*	0	0
9. -	**-**	0	0
10. -	**-**	0	0

Annex to the Royal Decree on the annual accounts of insurance companies

Chapter I. Structure of the annual accounts
Section I. Balance sheet at 31/12/2021 (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**	**72,858**	**146,856**
15bis. Deferred taxes (-/+)	**635 / 735**	**0**	**0**
16. Profit/(loss) for the financial year			
Profit (+)	*710 / 635*	505,171,770	671,657,460
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*	505,171,770	671,657,460
Loss (-)	*636 / 710*	0	0

Annex to the Royal Decree on the annual accounts of insurance companies

Chapter I. Structure of the annual accounts
Section I. Balance sheet at 31/12/2021 (in Euro units)

III. Non-technical account

	Name	Codes	Current period	Previous period
A.	**Profit to be appropriated**	**710 / 637.1**	**1,380,290,968**	**1,393,742,555**
	Loss to be appropriated (-)	**637.1 / 710**	**0**	**0**
	1. Profit for the financial year available for appropriation	710 / 636	505,171,770	671,657,460
	Loss for the financial year available for appropriation (-)	636 / 710	0	0
	2. Profit carried forward from the previous financial year	737.1	875,119,198	722,085,095
	Loss carried forward from the previous financial year (-)	637.1	0	0
B.	**Transfers from shareholders' equity**	**737.2 / 737.3**	**0**	**435,621,265**
	1. from the capital and share premium reserves	737.2	0	0
	2. from reserves	737.3	0	435,621,265
C.	**Allocations to equity (-)**	**637.2 / 637.3**	**(25,258,589)**	**(33,582,873)**
	1. to the capital and share premium reserves	637.2	0	0
	2. to legal reserve	637.31	25,258,589	33,582,873
	3. to other reserves	637.32	0	0
D.	**Result to be carried forward**			
	1. Profit to be carried forward (-)	637.4	(860,134,165)	(875,119,198)
	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**	**(494,898,214)**	**(920,661,749)**
	1. Dividends	637.5	494,898,214	920,661,749
	2. Directors or managers	637.6	0	0
	3. Other recipients	637.7	0	0

No. 1. Statement of intangible assets, investment property and investment securities

			Asset items concerned				Asset items concerned		Asset items concerned	
Names		Codes	B. Intangible assets	C.I. Land and buildings	C.II.1. Participations in affiliated entreprises	C.II.2. Notes, bonds and receivables in affiliated entreprises	C.II.3. Participations in entities with which there is a participation link	C.II.4. Notes, bonds and receivables in entities with which there is a participation link	C.III.1. Equities, shares and other variable income securities	C.III.2. Debt securities and other fixed income securities
			1	2	3	4	5	6	7	8
a) ACQUISITION VALUES										
During the previous financial year		08.01.01	15,341,933	0	6,436,159,584	826,222,351	1,739,814	0	54,077,627	582,131,782
Changes during the financial year:			(133,987)	0	0	31,511,018	(1,709,887)	65,488,301	4,649,234	76,348,613
- Acquired		8.01.021	445,085	0	0	31,511,018	0	65,488,301	4,649,234	95,000,292
- 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	(12,207,816)
- Transfers to another category	(+)(-)	8.01.024	0	0	0	0	0	0	0	0
- Other changes	(+)(-)	8.01.025	(579,071)	0	0	0	(1,709,887)	0	0	(6,443,863)
During the financial year		08.01.03	15,207,946	0	6,436,159,584	857,733,369	29,927	65,488,301	58,726,861	658,480,395
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	2,613,399	0	0	0	0	0	0	0
Changes during the financial year:			899,303	0	0	0	0	0	0	0
- Recognised		8.01.081	1,478,374	0	0	0	0	0	0	0
- Reversed as excess	(-)	8.01.082	0	0	0	0	0	0	0	0
- Acquired from third parties		8.01.083	0	0	0	0	0	0	0	0
- Cancelled	(-)	8.01.084	0	0	0	0	0	0	0	0
- Transfers to another category	(+)(-)	8.01.085	(579,071)	0	0	0	0	0	0	0
During the financial year		08.01.09	3,512,702	0	0	0	0	0	0	0
d) AMOUNTS NOT CALLED (Art. 29, § 1.)										
During the previous financial year		08.01.10	0	0	0	0	0	0	0	0
Changes during the financial year:	(+)(-)	08.01.11	0	0	0	0	0	0	0	0
During the financial year		08.01.12	0	0	0	0	0	0	0	0
e) CURRENCY CONVERSION SPREADS										
During the previous financial year	(+)(-)	08.01.13	0	0	0	0	0	0	0	0
Changes during the financial year:	(+)(-)	08.01.14	0	0	0	0	0	0	0	0
During the financial year	(+)(-)	08.01.15	0	0	0	0	0	0	0	0
NET CARRYING AMOUNT AT THE END OF THE FINANCIAL YEAR (a) + (b) - (c) - (d) +/- (e)		08.01.16	11,695,245	0	6,436,159,584	857,733,369	29,927	65,488,301	58,726,861	658,480,395

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			Data from the latest available annual accounts			
	directly		by the subsidiaries	Annual accounts closed at	Monetary unit (*)	Equity	Net result
	Figures	%	%			(+) of (-) (in thousands of monetary units)	
(*) as per official coding.							
Royal Park Investments NV Markiesstraat 1 B - 1000 Brussel NN 0807.882.811	3,800,000	45	0	31/12/2020	EUR	5,143	2,903
Ageas Insurance International NV Markiesstraat 1 B - 1000 Brussel NN 0718.677.849	792,001,700	100	0	31/12/2020	EUR	5,981,008	931,050

No. 3. Present value of investments (art. 38)

Asset items	Codes	Amounts
C. Investments	08.03	9,279,728,564
I. Land and buildings	8.03.221	0
II. Investments in affiliated enterprises and participations	8.03.222	7,436,625,253
- Affiliated enterprises	8.03.222.1	7,371,989,355
1. Participating interests	8.03.222.11	6,436,159,584
2. Notes. bonds and receivables	8.03.222.12	935,829,771
- Undertakings linked by virtue of a participating interest	8.03.222.2	64,635,898
3. Participating interests	8.03.222.21	32,906
4. Notes. bonds and receivables	8.03.222.22	64,602,992
III. Other financial investments	8.03.223	966,915,531
1. Equities, shares and other variable income securities	8.03.223.1	62,027,018
2. Debt securities and other fixed income securities	8.03.223.2	663.703.528
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	270,007,011
7. Other	8.03.223.7	0
IV. Deposits with ceding undertakings	8.03.224	876,187,780

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.III.I Equities, shares and other variable income securities	17,546,000	16,813,279
C.III.2 Debt securities and other fixed income securities	200,923,155	196,572,250

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.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	4,797,299

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	191,033,128
2.2. Registered or dematerialised shares			
Registered	8.05.1.21	xxxxxxxxxxxxxxxxxxxxxxx	9,982,383
Dematerialised	8.05.1.22	xxxxxxxxxxxxxxxxxxxxxxx	181,050,745

	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	197,027,253	4,051,147
- its subsidiaries	8.05.3.2	21,487,178	1,244,518
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	148,000,000

	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 31/12/2021

- Fosun 10.01%
- BlackRock Inc. 5.23%
- Ping An 5.17%
- Schroders Plc 3,02%

On 31 December 2021 the members of the Board of ageas SA/NV jointly held 104,562 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	114,375,225
Provision RPN(I)	520,400,000

No. 7. Statement of technical provisions and liabilities

a) Breakdown of amounts payable (or part of amounts payable) with a residual maturity of more than 5 years.

Liability items concerned	Codes	Amounts
B. Subordinated liabilities	8.07.1.12	1,745,427,640
I. Convertible bonds	8.07.1.121	
II. Non-convertible bonds	8.07.1.122	1,745,427,640
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	601,545,886
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**	**601,545,886**

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	25,621
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	6,090,826

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	5,328,241
Accrued charges – Other	4,386,577
Accrued charges – Foundations	1,093,230
Accrued charges – Interests	25,834,155
	36,642,202

No. 9. Assets and liabilities relating to the management on own account for the benefit of third parties of collective pension funds (art. 40)

Asset items and sub-items concerned (*)	Current period	Liability items and sub-items concerned (*)	Current period
TOTAL		TOTAL	

(*) with figures and letters relating to the wording of the item or sub-item concerned in the balance sheet (example : C.III.2. obligations and other fixed income securities).

No. 10. Information concerning the technical accounts

I. Non-life insurance

Name	Codes	Total	DIRECT BUSINESS				DIRECT BUSINESS					DIRECT BUSINESS		BUSINESS ACCEPTED
			Tot.	Accident & Health *lines 1 and 2*	Motor, Third Party liability *line 10*	Motor Other lines *lines 3 and 7*	Marine Aviation Transport *lines 4, 5, 6, 7, 11 and 12*	Fire and other damage to property *lines 8 and 9*	General Third Party Liability *line 13*	Credit and Security *lines 1 4 and 15*	Miscel-laneous pecuniary losses *line 16*	Legal protect-ion *line 17*	Assis-tance *line 18*	
		0	1	2	3	4	5	6	7	8	9	10	11	12
Gross premiums	8.10.01.710.1	1,512,236,974												1,512,236,974
Gross earned premiums	8.10.02	1,496,722,833												1,496,722,833
Gross cost of claims	8.10.03	893,894,346												893,894,346
Gross operating expense	8.10.04	555,265,512												555,265,512
Reinsurance balance	8.10.05	(40,887,374)												(40,887,374)
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	44,245,200

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	162	157
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	161	149
- Management staff	8.11.11.1		
- Employees	8.11.11.2	161	149
- Workers	8.11.11.3		
- Other	8.11.11.4		
c) the numbers of hours worked	8.11.12	234,318	225,263

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	406	187

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	1,615,406
1. a) Remuneration	8.12.111	1,615,406
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	1,630,303
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	725,263
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	725,263
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**	**4,390,399**

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.	39,221,928
Re-invoicing staff expenses	8,274,087
Change provision Fortis Settlement	12,863,275
Positive exchange rate results	17,714,562
Other	370,004
B. Breakdown of OTHER EXPENSES (item 8. of the non-technical account), if material.	192,362,473
Provision compensation RPN(I)	100,600,000
Services & goods	53,258,760
Staff expenses	30,093,514
Depreciations	424,265
Costs related to foundations	7,476,737
Other	509,197

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	72,858
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	72,858
a) Additional taxes due or paid:	8.15.1.634.21	72,858
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		505,244,628
Definitively taxed income (DTI)		(505,244,628)
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	12,984,839,378
- Accumulated tax losses deductible from subsequent taxable profits	8.15.4.11	10,551,989,298
- DTI deduction		2,432,850,080
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	11,182,081	7,597,319
2. Withholding tax (on dividends)	8.16.22	125,314,084	125,543,837

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	601,545,886
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		Entities with a participation link	
		Current period	Previous period	Current period	Previous period
C. II. Investments in affiliated enterprises and participations	8.18.222	7,293,892,953	7,262,381,935	65,518,228	1,739,814
1 + 3 Participations	8.18.222.01	6,436,159,584	6,436,159,584	29,927	1,739,814
2 + 4 Notes, bonds and receivables	8.18.222.02	857,733,369	826,222,351	65,488,301	
- subordinated	8.18.222.021				
- other	8.18.222.022	857,733,369	826,222,351	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	391,165,728	500,207,496		
I. Receivables from direct insurance operations	8.18.411				
II. Reinsurance from reinsurance operations	8.18.412	81,891,610	15,164,021		
III. Other receivables	8.18.413	309,274,118	485,043,475		
F. Subordinated liabilities	8.18.12				
G. Debts	8.18.42	26,803,487	12,430,965		
I. Direct insurance payables	8.18.421				
II. Reinsurance payables	8.18.422	26,803,487	12,430,965		
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	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	16,401,809	13,194,862

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	6,842,462
- 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	700,650
2. Fees for exceptional services or special missions performed within the company by the statutory auditor(s)	8.19.6	171,611
- Other attestation missions	8.19.61	171,611
- 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 2021, 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 6,443,863.

RPN(I) Valuation

Ageas applies a transfer notion to arrive at the fair value of the RPN(I) liability. Fair value is defined in IFRS 13 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The definition is explicitly described as an exit price, linked with the price 'paid to transfer a liability'. When such pricing is not available and the liability is held by another entity as an asset, the liability needs to be valued from the perspective of the market participant that holds the asset. Ageas values its liability at the reference amount.

The RPN reference amount is based on the price of the CASHES and the price of the Ageas share. The reference amount increased from EUR 419.8 million at the end of 2020 to EUR 520.4 million on 31 December 2021, mainly as a result of a rise in the CASHES price from 84.17% to 95.61% in 2021, and an increase in the Ageas share price from EUR 43.58 to EUR 45.55 over the same period.

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 23 February – conflict of interest for the members of the Executive Committee with respect to the remuneration review

With respect to topic 4 on the agenda, it was noted that the non-executive Board members had a pre-meeting without the executive members, other than the CEO (and without the CEO when the matter related to him), to discuss and decide upon the following topics :

- *Appraisal individual objectives EXCO/MCO 2020*
- *Appraisal Business KPI's 2020*
- *Long Term Incentive - grant*
- *Individual objectives EXCO/MCO 2021*
- *Business KPI's 2021*
- *Share linked incentive plan*

Hence, it can be reported that the executive members, when being conflicted with the above-mentioned topics, did not participate to the discussion nor to the decision taking relating to these topics.

Board meeting of 9 November – conflict of interest for the members of the Executive Committee with respect to the remuneration review

The Chairman informed the Board members that the EXCO members would not participate to the discussions nor the decision taking related to the competitive review of the remuneration of the EXCO and the MCO members, scheduled under topic 8 - Report of the Remuneration Committee.

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 2021

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 four 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 2021, 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 10,140,476,675 and a profit and loss account showing a profit for the year of EUR 505,171,770.

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 2021, 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 2021, the technical provisions amount to EUR 1,562,792,214. 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 23 February 2021 and 9 November 2021 as described in the section "Conflict of interest" included in the annual report and we have no remarks to make in this respect.

Diegem, 29 March 2022

The Statutory auditor
PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV
Represented by

Roland Jeanquart Réviseur d'Entreprises Bedrijfsrevisor	Kurt Cappoen Réviseur d'Entreprises / Bedrijfsrevisor

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Other information

Forward-looking statements to be treated with caution

Some of the statements contained in this Annual Report, including but not limited to the statements made in the sections entitled Message to the Shareholders, Description of Activities and Report of the Board of Directors and in note 5 Risk management, 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
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 2021 as well as on the website, if deemed relevant. Ageas reports in accordance with the Global Reporting Initiative's GRI Standards: core option. 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 - OPTION CORE

GRI standard reference	Disclosure		Section in the annual report 2021 (AR)
GRI 101 - Foundation			
GRI 102 - General disclosure			
Organisational profile			
102-1	Name of the organisation	AR	Frontpage and first page of the annual report
102-2	Activities, brands, products, and services	AR Website	A Report of Board of Directors - 3 Strategy and business model of Ageas https://www.ageas.com/about/company
102-3	Location of headquarters	AR	C General notes - 1 Legal structure
102-4	Location of operations	AR Website	A Report of Board of Directors - 3 Strategy and business model of Ageas https://www.ageas.com/about/company
102-5	Ownership and legal form	AR	C General notes - 1 Legal structure
102-6	Markets served	AR	A Report of Board of Directors - 3 Strategy and business model of Ageas
102-7	Scale of the organisation	AR	A Report of Board of Directors - 2 Developments and results A Report of Board of Directors - 3 Strategy and business model of Ageas A Report of Board of Directors - 4.2 Our customers and partners A Report of Board of Directors - 4.3 Our employees B Consolidated financial statements
102-8	Information on employees and other workers	AR	A Report of Board of Directors - 4.3 Our employees
102-9	Supply chain	AR	A Report of Board of Directors - 3 Strategy and business model of Ageas
102-10	Significant changes to the organisation and its supply chain		Not applicable
102-11	Precautionary Principle or approach	AR	C General notes - 4 Risk Management
102-12	External initiatives		PRI, PSI, UN Global Compact
102-13	Membership of associations		Lobbying and membership disclosure 2021 on https://sustainability.ageas.com/reporting
Strategy			
102-14	Statement from senior decision-maker	AR	A Report of Board of Directors - 1 Message from CEO and Chairman
Ethics and integrity			
102-16	Values, principles, standards, and norms of behaviour	AR	A Report of Board of Directors - 4.3 Our employees A Report of Board of Directors - 4.7 Safe, secure and compliant insurance A Report of Board of Directors - 5 Corporate governance statement C General notes - 4 Risk management

GRI standard reference	Disclosure		Section in the annual report 2021 (AR)
Governance			
102-18	Governance structure	AR	A Report of Board of Directors - 5 Corporate governance statement C General notes - 1 Legal structure
Stakeholder engagement			
102-40	List of stakeholder groups	AR	A Report of Board of Directors - 4.1 Embedding sustainability in our business
102-41	Collective bargaining agreements	Website	Guidance on human and labour rights - https://sustainability.ageas.com/reporting
102-42	Identifying and selecting stakeholders	AR	A Report of Board of Directors - 4.1 Embedding sustainability in our business
102-43	Approach to stakeholder engagement	AR	A Report of Board of Directors - 4.1 Embedding sustainability in our business
102-44	Key topics and concerns raised	AR	A Report of Board of Directors - 4.1 Embedding sustainability in our business
Reporting practice			
102-45	Entities included in the consolidated financial statements	AR	C General notes - 1 Legal structure
102-46	Defining report content and topic boundaries	AR	A Report of Board of Directors - 4.1 Embedding sustainability in our business
102-47	List of material topics	AR	A Report of Board of Directors - 4.1 Embedding sustainability in our business
102-48	Restatements of information		Not applicable
102-49	Changes in reporting		Not applicable
102-50	Reporting period	AR	A Report of Board of Directors - first page
102-51	Date of most recent report	Website	Investors : quarterly results - https://www.ageas.com/investors/quarterly-results
102-52	Reporting cycle	AR	A Report of Board of Directors - first page
102-53	Contact point for questions regarding the report	Website	Investor relations - https://www.ageas.com/contact/investors-relations
102-54	Claims of reporting in accordance with the GRI Standards	AR	A Report of Board of Directors - first page
102-55	GRI content index	AR	H. Other information - GRI content index
102-56	External assurance		Not applicable
GRI 103 - Management approach			
103-1	Explanation of the material topic and its Boundary	AR	A Report of Board of Directors - 4.1 Embedding sustainability in our business

Economic

201 - Economic performance			
103-2	Management approach	AR	A Report of Board of Directors - 3 Strategy and business model of Ageas A Report of Board of Directors - 4.7 Safe, secure and compliant insurance A Report of Board of Directors - 5 Corporate governance statement C General notes - 4 Risk management
103-3	Evaluation of the management approach	AR	A Report of Board of Directors - 5 Corporate governance statement
201-1	Direct economic value generated and distributed	AR	A Report of Board of Directors - 2 Key financials and highlights B Consolidated financial statements 2020 - 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 – 4.5 Our society A Report of Board of Directors - 5 Corporate governance statement C General notes - 4 Risk management
103-3	Evaluation of the management approach	AR	A Report of Board of Directors - 5 Corporate governance statement
203-1	Infrastructure investments and services supported	AR	A Report of Board of Directors - 4.5 Our society
205 - Anti-corruption			
103-2	Management approach	AR	A Report of Board of Directors - 4.7 Safe, secure and compliant insurance A Report of Board of Directors - 5 Corporate governance statement C General notes - 4 Risk management
103-3	Evaluation of the management approach	AR	A Report of Board of Directors - 4.7 Safe, secure and compliant insurance A Report of Board of Directors - 5 Corporate governance statement
205-2	Communication and training about anti-corruption policies and procedures	AR	A Report of Board of Directors - 4.7 Safe, secure and compliant insurance

GRI standard reference	Disclosure		Section in the annual report 2021 (AR)
207 - Tax			
103-2	Management approach	AR Website	A Report of Board of Directors - 5 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 Corporate governance statement
207-4	Country-by-country reporting	AR	A Report of Board of Directors - 4.5 Our society

Environmental

GRI standard reference	Disclosure		Section in the annual report 2021 (AR)
305 - Emissions			
103-2	Management approach	AR	A Report of Board of Directors - 4.1 Embedding sustainability in our business A Report of Board of Directors – 4.5 Ou society
103-3	Evaluation of the management approach	AR	A Report of Board of Directors - 5 Corporate governance statement
305-1	Direct (Scope 1) GHG emissions	AR	A Report of Board of Directors - 4.5 Our society
305-2	Energy indirect (Scope 2) GHG emissions	AR	A Report of Board of Directors - 4.5 Our society
305-3	Other indirect (Scope 3) GHG emissions	AR	A Report of Board of Directors - 4.5 Our society
305-4	GHG emissions intensity	AR	A Report of Board of Directors - 4.5 Our society

Social

GRI standard reference	Disclosure		Section in the annual report 2021 (AR)
103-2	Management approach	AR	A Report of Board of Directors - 4.1 Embedding sustainability in our business A Report of Board of Directors - 4.3 Our employees A Report of Board of Directors - 5 Corporate governance statement
103-3	Evaluation of the management approach	AR	A Report of Board of Directors - 5 Corporate governance statement
403 - Occupational Health and Safety			
403-6	Promotion of worker health	AR	A Report of Board of Directors - 4.3 Our employees
404 - Training and education			
404-2	Programs for upgrading employee skills and transition assistance programs	AR	A Report of Board of Directors - 4.3 Our employees
405 - Diversity and equal opportunity			
405-1	Diversity of governance bodies and employees	AR	A Report of Board of Directors - 4.3 Our employees A Report of Board of Directors - 5 Corporate governance statement

Other material topics

GRI standard reference	Disclosure		Section in the annual report 2021 (AR)
103-2	Management approach	AR	A Report of Board of Directors - 4.1 Embedding sustainability in our business A Report of Board of Directors - 4.2 Our customers and partners A Report of Board of Directors - 5 Corporate governance statement
103-3	Evaluation of the management approach		A Report of Board of Directors - 5 Corporate governance statement
	Insurance products and services protecting against societal challenges	AR	In addition to GR302 Target determined in strategy Impact24: Percentage of GWP from products that stimulate the transition to a more sustainable world First reporting over 2022 - https://strategy.ageas.com/impact24/report/impact24
	Insurance products and services incentivising responsible behaviour	AR	In addition to GR302 Target determined in strategy Impact24: Percentage of GWP from products that stimulate the transition to a more sustainable world First reporting over 2022 - https://strategy.ageas.com/impact24/report/impact24
	Easy to understand, fair and transparent information to customers	AR	In addition to GR302 Target determined in strategy Impact24: Percentage of products that have been reviewed for transparency First reporting over 2022 - https://strategy.ageas.com/impact24/report/impact24

UN GC Progress report Index

COMMUNICATION ON PROGRESS

UN GLOBAL COMPACT

This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

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 newly launched Impact24 Strategy reaffirms our commitments to the Ten Principles of the UN Global Compact.

Ageas issued its first progress report in September 2021[8] in which a summary was provided on the who of Ageas and the status at that moment. As from the second report, Ageas is and will be reporting on the progress made during the year, timing aligned with the Annual Report. This confirms our belief that non-financial information such as this progress report is equally important as financial information.

The table below contains information and detailed references to material in the 2021 Ageas Annual Report or on the Ageas sustainability webpages that addresses the UN Global Compact principles.

8 https://headless-api.ageas.com/sites/default/files/2021-09/2020%20UN%20Global%20Compact%20progress%20report_0.pdf

UN Global Compact 10 Principles	Ageas's actions in 2021	Reference
1 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.	Strategy : ▪ Ageas's reconfirmed commitment to SDGs ▪ Launch of Impact24 strategy including targets for sustainable products and investments	A.3 A.4.1
	Governance: ▪ Sustainability governance as part of the overall Group governance	A.4.1 A.5
	Policies: ▪ Ageas code of conduct ▪ Update of group procurement policy ▪ Update PRAP ▪ Up-to-date policy framework ▪ Update of Responsible Investment Framework including voting and engagement	A.4.7 Website https://sustainability.ageas.com/reporting
	Monitoring: ▪ First human rights risk assessment ▪ Our customers and partners ▪ Our society - a responsible and sustainable investment strategy ▪ Towards customers - breaches	A.4.7 A.4.2 A.4.5 A.4.7
2 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.	Strategy : ▪ Ageas's reconfirmed commitment to SDGs ▪ Launch of Impact24 strategy including targets on diversity and training/development of Ageas's employees	A.3 A.4.1
	Policies: ▪ Ageas code of conduct ▪ Up-to-date policy framework including dedicated policy on diversity and inclusion, and on human and labour rights ▪ Update of group procurement policy	A.4.7 Website https://sustainability.ageas.com/reporting
	Monitoring: ▪ Our employees including human capital related KPIs and pies on employee engagement	A.4.3

UN Global Compact 10 Principles	Ageas's actions in 2021	Reference
3 Environment		
	Strategy :	
	▪ Ageas's reconfirmed commitment to SDGs	A.3
	▪ Launch of Impact24 strategy including targets on sustainable products and investments, and on reduction on CO2 level in own operations and in investments	A.4.1
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.	Policies:	
	▪ Ageas's code of conduct	
	▪ Update of Responsible Investment Framework including voting and engagement	A.4.7
	▪ New environmental policy	Website https://sustainability.ageas.com/reporting
	▪ Update of group procurement policy	
	▪ Update of PRAP	
	Monitoring:	
	▪ TCFD report	Website https://sustainability.ageas.com/reporting
	▪ CO2 disclosure	
	▪ Our customers and partners	A.4.2
	▪ Our society - a responsible and sustainable investment strategy	A.4.5
	▪ Our society - a stronger focus on environment friendly operations and sustainable operational behaviour including KPIs	A.4.5
	▪ EU taxonomy	A.4.6
4 Anti-corruption		
	Policies:	
	▪ Ageas's code of conduct	
	▪ Up-to-date policy framework including anti-bribery and corruption, anti-money laundering, fit & proper, conflict of interest, …	A.4.7 Website https://sustainability.ageas.com/reporting
PRINCIPLE 10: Businesses should work against corruption in all its forms, including extortion and bribery.	▪ New policy on lobbying and memberships	
	Monitoring:	
	▪ Safe, secure and compliant insurance including KPIs	A.4.7
	▪ Tax disclosure	Website https://sustainability.ageas.com/reporting
	▪ Lobbying, policitical contributions and membership disclosure	

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. Ageas's first status report, published in September 2021[9], provided an overview of the status and progress that made against the main principles of the UNEP FI PSI based on the situation as at June 30, 2021.

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 2021 to demonstrate its commitment to the PSI.

Principles of Sustainable Insurance		Ageas's actions in 2021	Reference
1	We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.	▪ Launch of Impact24 strategy with first time non-financial targets for sustainable investments, employees and planet, and reconfirmed commitment to the SDGs	A.3
		▪ Sustainability governance as part of the overall Group governance	A.4.1
		▪ Continued TCFD implementation and reporting hereon	https://sustainability.ageas.com/reporting
		▪ Update of or new policies e.g. PRAP, environmental, procurement, lobbying and memberships, Responsible Investment Framework including voting and engagement	A.4.5
		▪ E-learning on sustainability	A.4.3
		▪ First human rights risk assessment	A.4.7
		▪ Actions towards employees and society and monitoring of results by means of KPIs	A.4.3

9 https://headless-api.ageas.com/sites/default/files/2021-09/2020%20UNEP%20FI%20PSI%20Progress%20report.pdf

Principles of Sustainable Insurance		Ageas's actions in 2021	Reference
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.	▪ Launch of Impact24 strategy with first time non-financial targets for sustainable products and investments, including action plan for realisation	A.3
		▪ Continued TCFD implementation and reporting hereon	https://sustainability.ageas.com/reporting
		▪ Update of policies e.g. PRAP, Responsible Investment Framework including voting and engagement	https://sustainability.ageas.com/reporting
		▪ Active promotion of sustainable products, such as drive less, green parts, and sustainable investments, including in real estate	A.4.2
		▪ Active engagement directly and through Action 100+	A.4.5
		▪ First disclosure on EU taxonomy	A.4.6
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, MAZE, disaeases, financial literacy ▪ Establishment of chair at University of Antwerp on Sustainable Insurance ▪ Collaboration with several universities on ethics, insurance, ▪ Collaboration with educational world to support socially vulnerable people ▪ Multiple memberships to actively promote ESG aspects in insurance and in the world e.g. World Economic Forum, commitment to PRI	A.4.5
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 - core ▪ Thematic disclosures on e.g. TCFD, CO2, taxes, lobbying, memberships, UN GC principles ▪ Responding to several ESG rating agancies, amongst others CDP	https://www.ageas.com/investors/quarterly-results https://sustainability.ageas.com/reporting

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	Turkey, 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
OTC	Over the counter
SPPI	Solely Payments of Principal and Interest
SPV	Special purpose vehicle
UK	United Kingdom

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