



Solvency & Financial Condition Report

KBC Group Re

2025

Table of contents

| | |
|---|----|
| Summary | 4 |
| A. Business & performance | 6 |
| A.1 Business | 6 |
| A.2 Underwriting performance | 8 |
| A.3 Investment performance | 9 |
| A.4 Performance of other activities | 10 |
| A.5 Any other information | 10 |
| B. System of governance | 11 |
| B.1 General information on the system of governance | 11 |
| B.2 Fit and proper requirement | 12 |
| B.3 Risk management system including the own risk and solvency assessment | 12 |
| B.4. Internal control system | 14 |
| B.5 Internal audit function | 16 |
| B.6 Actuarial function | 18 |
| B.7 Outsourcing | 18 |
| B.8 Any other information | 19 |
| C. Risk profile | 20 |
| C.1 Underwriting risk | 22 |
| C.2 Market risk | 24 |
| C.3 Credit risk | 28 |
| C.4 Liquidity risk | 29 |
| C.5 Operational risk | 30 |
| C.6 Other material risks | 32 |
| C.7 Any other information | 33 |
| D. Valuation for solvency purposes | 34 |
| D.1 Assets | 35 |
| D.2 Technical provisions | 36 |
| D.3 Other liabilities | 40 |
| D.4 Alternative methods for valuation | 40 |
| D.5 Any other information | 41 |
| E. Capital Management | 42 |
| E.1 Own funds | 42 |
| E.2 Solvency Capital Requirement & Minimum Capital Requirement | 43 |
| E.3 Use of the duration-based equity risk sub-module in the calculation of SCR | 44 |
| E.4 Differences between the standard formula and any internal model used | 44 |
| E.5 Non-compliance with the MCR and non-compliance with the SCR | 44 |
| E.6 Any other information | 44 |
| ANNEXES | 45 |
| S.02.01.02 – Balance sheet (x 1.000 EUR) | 45 |
| S.05.01.02 – Premiums, claims and expenses by line of business (non-life insurance and reinsurance obligations) (x 1.000 EUR) | 47 |
| S.17.01.02 Non-Life Technical Provisions (x1.000 EUR) | 48 |
| S.19.01.22 Non-Life Insurance Claims Information (x1.000 EUR) | 49 |
| S.22.01.21 – Impact of long term guarantees and transitional measures (X1.000 EUR) .. | 50 |
| S.23.01.22 – Own funds (X1.000 EUR) | 51 |
| S.25.01.22 – Solvency capital requirement (for groups on Standard Formula) (X1.000 EUR) | 52 |

S.28.01.01 Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity (X1.000 EUR) 53

Summary

The Solvency & Financial Condition Report (SFCR) is published annually by all insurance undertakings and groups. It provides qualitative and quantitative information on the business and performance, the system of governance, the risk profile, the valuation for solvency purposes and the capital management of the undertaking.

The report follows the harmonized structure defined in Annex XX to the Solvency II Delegated Acts and includes quantitative templates (QRTs) as defined in the SII Implementing Regulation.

All amounts quoted in this report and in the tables are expressed in millions of euros, unless stated otherwise.

Highlights

- KBC Group Re is the reinsurance subsidiary of KBC Group, specializing in providing protection to the Group's bank and insurance entities.
- KBC Group Re maintains a low risk profile fully aligned with its Risk Appetite Statement.
- KBC Group Re continues to be strongly capitalized, with a Solvency II ratio of 377% as at 31 December 2025 (including volatility adjustment), significantly above the minimum regulatory requirement of 100%.
- The LuxGaap result for 2025 amounts to 2,5 million EUR.
- Net earned premiums reached 35,1 million EUR in 2025, an increase of 12,9% compared to 2024.
- The Combined ratio for 2025 was 51,3%, reflecting a mild claims experience.
- The company achieved strong investment income, though 26,2% lower than 2024, a year characterized by exceptional equity market performance.

Forward looking statements

The expectations, forecasts and statements regarding future developments contained in this report are based on assumptions and assessments made during its preparation in March 2026. Forward-looking statements inherently involve uncertainties, and actual results may differ from the expectations due to various external factors.

Subsequent events

On 28 February 2026, military tensions between the United States and Iran escalated following coordinated U.S.-Israeli strikes on Iranian military and nuclear facilities. Although KBC Group Re has only limited direct exposure in the affected region, the conflict may give rise to broader macroeconomic volatility and potential spill-over effects that could impact financial markets and the global insurance and reinsurance sector.

At present, it is not possible to reliably quantify the potential financial consequences for KBC Group Re. The company continues to closely monitor developments and will assess the implications for its risk profile, solvency position and operations as further information becomes available.

Remarks

The information presented in this document has not been subject to external audit. However, the disclosures were reviewed for consistency with other internal and regulatory reports and underwent a validation by authorized management representatives.

In accordance with Solvency II requirements, the 2025 Solvency & Financial Condition Report was submitted to and approved by the Board of Directors.

The report is available in English on the KBC Group Re website and is updated annually. The next update is scheduled for April 2027.

A. Business & performance

A.1 Business

| | |
|--|---|
| Area of operation | |
| KBC Group Re S.A. is the Luxembourg-based reinsurance subsidiary of the KBC Group. Established on 20 March 1989, the company provides reinsurance solutions supporting the Group's banking and insurance entities. | |
| Shareholders | |
| KBC Group Re S.A. is wholly owned by KBC Insurance NV, which is itself wholly owned (directly and indirectly) by KBC Group NV, a publicly listed company. | |
| Long-term credit ratings (as of 1 March 2026) | |
| | Standard & Poor's |
| KBC Group Re SA | A (positive outlook) |
| Management | |
| Day-to-day management | Ivo Bauwens |
| Chair of the Board of Directors | Nele Vandaele |
| Address | |
| KBC Group Re SA 4 rue du Fort Wallis L-2714 Luxembourg | |
| Supervisory authorities | |
| KBC Group Re SA | KBC Group NV |
| Commissariat aux Assurances 11, rue Robert Stumper, L-2557 Luxembourg | Nationale Bank van België de Berlaimontlaan 14 1000 Brussel |

| |
|--|
| External auditor |
| KPMG Luxembourg 39 Avenue John F. Kennedy L-1855 Kirchberg Luxembourg |
| Number of FTEs |
| As at 31 December 2025 the company employed 9,9 persons (Full time equivalent) |

The strategy of the company is embedded in the strategy of the KBC Group, consisting of 4 cornerstones, interacting with each other:

- ✓ We strive to offer our clients a unique bank insurance experience.
- ✓ We develop our group with a long term perspective and therefore achieve sustainable and profitable growth.
- ✓ We put our clients' interests at the heart of what we do and strive to offer them at all times a high quality service and relevant solutions.
- ✓ We assume our role in society and local economies.

For more detailed information, please see the KBC Group annual report for 2025.

KBC is an integrated bank-insurance group whose core markets are Belgium, Bulgaria, the Czech Republic, Hungary and Slovakia for a total of ca. 13 million clients. Its network is organized around ca. 1090 bank branches, insurance sales via own agents and other channels, as well as various electronic channels. The Group employs some 40 000 persons.

KBC Group Re operates as the dedicated reinsurance entity of KBC Group, providing protection to the Group's banking and insurance entities. Its underwriting activities are structured around two core segments:

1. The reinsurance of insurance risks originating from KBC's insurance companies
2. The reinsurance of operational risks arising within the broader KBC Group

The KBC Insurance risks segment encompasses reinsurance acceptances designed to optimise the Group's insurance retention and enhance capital flexibility within the KBC Insurance Group. This is achieved by deploying currently excess capital held by the company. To support this optimisation strategy, KBC Group Re has been designated as the central vehicle for the placement and management of group-wide reinsurance programmes.

The KBC Operational risks segment encompasses the reinsurance of classical operational risks typically faced by a bank-insurer. The risks are generally placed through facultative programmes and include professional liability, fraud, cyber risks and property covers for assets owned by KBC Group. The segment also incorporates certain specialty covers, such as safe deposit insurance provided to banking clients. KBC Group Re supports the placement of these Group programmes by bridging the gap between the deductibles or risk retentions of individual KBC entities and the overarching Group deductible. KBC Group Re retains, on behalf of the Group, the volatility-sensitive priority layers for which market capacity is limited, and facilitates efficient access to international reinsurance markets offering competitively priced capacity.

The income statement of KBC Group Re, prepared in accordance with LuxGAAP, is presented in Table 1.

| (X 1.000 EUR) | 2025 | 2024 | Change in amount | Change in % |
|---|----------------|----------------|---------------------|----------------|
| Net earned premiums Non-Life | 35,126 | 31,126 | 4,000 | 12.9% |
| Gross Earned premiums | 102,557 | 110,518 | -7,961 | -7.2% |
| Ceded reinsurance premiums | -67,431 | -79,392 | 11,961 | -15.1% |
| Net claims incurred | -15,928 | -39,617 | 23,689 | -59.8% |
| Gross claims incurred | -50,065 | -113,572 | 63,507 | -55.9% |
| Reinsurers' share in claims incurred | 34,136 | 73,954 | -39,818 | -53.8% |
| Net operating expenses | -2,100 | -1,645 | -455 | 27.7% |
| Net acquisition costs | 577 | 794 | -217 | -27.3% |
| Administrative expenses | -2,676 | -2,438 | -238 | 9.8% |
| Investment Income | 17,870 | 24,220 | -6,350 | -26.2% |
| Interest income | 8,385 | 6,890 | 1,495 | 21.7% |
| Dividend income | 1,988 | 2,253 | -265 | -11.8% |
| Net realized result from investments | 6,418 | 18,420 | -12,002 | -65.2% |
| Value adjustments | 559 | -2,806 | 3,364 | -119.9% |
| Other investments related incomes/costs | 521 | -537 | 1,058 | -197.0% |
| Net other income | 579 | 863 | -284 | -32.9% |
| Change in the equalization provision | -32,727 | -4,183 | -28,545 | 682.5% |
| Extraordinary gain/loss | 0 | 0 | 0 | |
| Taxes | -339 | -171 | -168 | 98.1% |
| Result after tax | 2,481 | 10,594 | -8,112 | -76.6% |

Table 1 Income statement, using LuxGAAP rules

In 2025, KBC Group Re reported a LuxGAAP profit of 2,48 million EUR, compared with 10,59 million EUR in 2024. The result is shown after an allocation of 32,72 million EUR to the equalization provision (versus 4,18 million EUR in 2024). In line with Luxembourg regulatory requirements applicable to reinsurance undertakings, an annual contribution must be made to the equalization provision. This allocation corresponds to the sum of the technical result and a defined portion of the financial result, until the provision reaches its regulatory ceiling. Additional information on the equalization provision is provided in Chapter D.

Further details on the underwriting and investment performance are presented in the following sections.

A.2 Underwriting performance

Earned premiums amounted to 35,13 million EUR in 2025, representing an increase of 12,9% compared with 31,13 million EUR recorded in 2024.

| | 2025 | 2024 |
|-------------------|-------|--------|
| Net claims ratio | 45.3% | 127.3% |
| Net expense ratio | 6.0% | 5.3% |
| Combined ratio | 51.3% | 132.6% |

Table 2 Non-life ratios

Volatility in earnings and ratios is inherent to the activities of KBC Group Re. This is consistent with its role as the internal reinsurer of the KBC Group and is further amplified by the relatively small size of the portfolio.

In 2025, the net claims ratio amounted to 45,3% with net claims incurred of 15,93 million EUR. The claims experience was notably affected several medium-to-large individual losses. For context, the claims ratio in 2024 was exceptionally high due to the impact of the Boris storm event in Central Europe.

The expense ratio increased from 5,3% to 6%.

As a result, the combined ratio improved substantially, dropping from 132,6% in 2024 to 51,3%, reflecting the absence of the unfavourable claim experience seen in the previous year.

Further details on the underwriting performance are available in the Quantitative Reporting Templates (QRT) S.05.01.02 – Premiums, claims and expenses by line of business.

A.3 Investment performance

Investment income amounted to 17,87 million EUR in 2025, compared to 24,22 million EUR in 2024. Although still solid, this represents a 26,2% decrease year-on-year, reflecting the exceptionally strong market performance that characterised 2024. Realised gains on equities totalled 6,42 million EUR, significantly lower than the 18,42 million EUR recorded in 2024.

Interest income increased from 6,89 million EUR in 2024 to 8,38 million EUR in 2025 (+22%). The increase in interest income was driven primarily by the higher yields available in the market as maturing bonds were reinvested at more favourable coupon levels. In addition, the growth of the bond portfolio contributed to the higher interest revenue.

Under LuxGAAP financial reporting:

- Bond investments are measured at amortised cost, adjusted for impairments when such impairments are expected to be permanent.
- Equity investments are valued under the 'lower of cost or market' principle.

The detailed valuation of these portfolios is presented in Table 3.

| (X 1.000 EUR) | 31/12/2025 | 31/12/2024 | Change in amount | Change in % |
|-------------------------|------------|------------|---------------------|----------------|
| BONDS | | | | |
| Solvency 2 value | 376,891 | 328,559 | 48,332 | 15% |
| Book value | 383,456 | 335,899 | 47,557 | 14% |
| Unrealized gains/losses | -6,566 | -7,340 | 774 | -11% |
| EQUITIES | | | | |
| Solvency 2 value | 110,315 | 107,598 | 2,717 | 3% |
| Book value | 92,670 | 89,666 | 3,004 | 3% |
| Unrealized gains/losses | 17,645 | 17,932 | -287 | -2% |

Table 3 Investment portfolio values

The market value of the bond portfolio increased by 48,33 million EUR (15%), of which 47,11 million EUR resulted from new inflows.

The equity portfolio grew by 2,72 million EUR (3%), despite net outflows of 3,9 million EUR during the year.

KBC Group Re does not hold any investments in securitised products.

A.4 Performance of other activities

No other activities are considered material for inclusion in this SFCR.

A.5 Any other information

There is no additional information to report.

B. System of governance

B.1 General information on the system of governance

Management structure of KBC Group Re

In accordance with the Articles of Association, KBC Group Re is managed by a Board of Directors. The Board is responsible for setting and approving the Company's strategy and general policies, including its risk, compliance and audit frameworks, and for overseeing their implementation. The Board is also responsible for appointing the Managing Director.

The Managing Director is responsible for implementing and monitoring the strategic plans (together with the Board), recruiting staff members, acting as the main liaison staff and the Board, providing leadership, ensuring the effective management of the Company, and carrying out the day-to-day operations. The Managing Director also fulfils the role of 'Dirigeant agréé' as defined under the Luxembourg law 'Loi du 7 décembre 2015 sur le secteur des assurances'.

The Board also acts assumes the responsibilities of the Audit, Risk and Compliance Committee (see below).

The Board is composed of at least three members (currently four), appointed by the General Meeting. Directors of KBC Group Re are not remunerated. The Managing Director is the only Executive Director.

Audit, Risk and Compliance Committee

KBC Group Re does not have a separate Audit, Risk and Compliance Committee. Instead, the Board directly performs the functions associated with audit, risk and compliance. This includes the oversight of:

- the integrity of the financial reporting process
- the effectiveness of the internal control measures and risk management processes
- the implementation of compliance rules.

The following individuals, or their representative, attend these meetings as permanent guests:

- On behalf of KBC Group:
 - The Internal auditor;
 - The Chief Risk Officer (CRO);
 - The Compliance Officer.
- On behalf of KBC Group Re:
 - The General Manager;
 - The Actuarial Function Holder ;
 - The Risk Management Function Holder;
 - The Compliance Function Holder.

The external auditors are invited to attend at least once a year.

Reporting of the control functions

The local Risk, Compliance and Actuarial functions, as well as the Group Audit function report their findings to the Board of Directors when it acts as the Audit, Risk and Compliance Committee.

At group level, Group Risk, Group Compliance and the Group Actuarial Function Holder report on their activities to:

- The Executive Committee of KBC Insurance NV.
- The Audit Committee, the Risk & Compliance Committee and the Board of Directors of KBC Insurance NV and KBC Group NV.

B.2 Fit and proper requirement

Fit and proper requirements for members of the Board of Directors are defined in the Company's Corporate Governance Charter which sets out the conditions for appointing new board members as well as the applicable training obligations. These appointment requirements aim to ensure a balanced composition of the Board, with members collectively possessing adequate insurance and reinsurance expertise, general corporate management experience, and broader societal insight.

For individuals performing key functions, fit and proper assessments form an integral part of the Company's human resources management policy. This includes the requirement to provide a criminal record extract as part of the propriety assessment. Fitness checks are embedded in the recruitment process, during which formal qualification and relevant professional experience are verified. The HR procedures also include ongoing training requirements designed to maintain and update employees' professional competencies.

B.3 Risk management system including the own risk and solvency assessment

Risk management framework

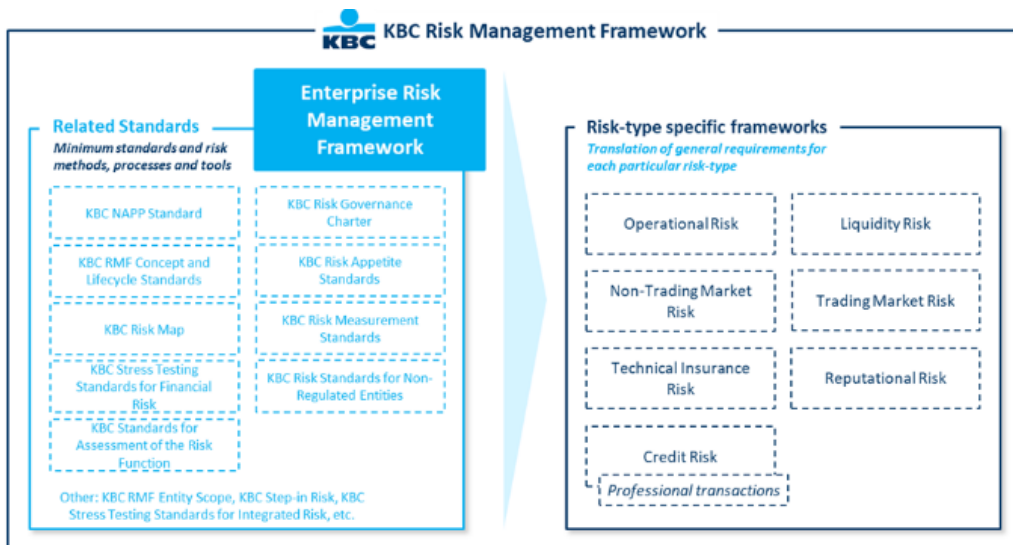
Risk management is a core component of the strategic management of KBC Group. Its objective is to enhance the Group's resilience and agility in a continuously evolving environment by ensuring that risks which may impact the ability to achieve strategic objectives are adequately identified, assessed, managed and monitored.

The principles governing sound risk management across KBC Group are set out in the KBC Risk Management Framework. This framework establishes strict governance arrangements, clear roles and responsibilities, and uniform procedures for risk management throughout the Group. It defines the standards that must be applied consistently across all entities, including KBC Group Re.

The KBC Risk Management Framework is rooted in the Group's overall risk strategy, as formalised in the KBC Risk Appetite, which sets clear boundaries for risk-taking. The Risk Appetite is reviewed and formally approved by the Board of Directors, and serves as the fundamental benchmark for all risk-related decisions.

As a diversified Financial Conglomerate, active across multiple financial sectors and business lines, the KBC Risk Management Framework combines a holistic, integrated and enterprise-wide view on risk in the Enterprise Risk Management Framework, and detailed risk-type specific frameworks which provide more granular guidance for managing particular risk categories.

This integrated approach is visually summarised in the **KBC Risk Management Framework diagram** below, which illustrates how the enterprise-wide risk view and the risk-type-specific frameworks collectively form the Group's overarching risk management structure.



Risk governance

The risk governance model of KBC Group Re is built on clearly defined responsibilities, strong oversight, and an integrated approach to risk management. Its main components are:

- The Board of Directors, which sets and annually reviews the Company's risk appetite and risk strategy, and supervises their implementation.
- The 'three lines of defence' model which provides a structured and effective division of risk management responsibilities across the organization (see Section B.4).
- The 'Investment Committee', which supports the Board of Directors in matters related to investments and balance sheet management, ensuring that investment decisions remain aligned with the Company's risk appetite and financial strategy.

Own risk and solvency assessment

The KBC Insurance Group and its insurance and reinsurance subsidiaries perform an Own Risk and Solvency Assessment (ORSA) to ensure that the business is managed in a sound, prudent and forward looking way.

KBC's ORSA policy, reviewed annually, outlines the Group-wide approach to the ORSA-process. It sets out the objectives, scope and implementation of the ORSA, describes its key underlying processes, and specifies the roles and responsibilities of the stakeholders involved. KBC Group Re has formally endorsed the Group ORSA Policy.

The ORSA is an integral part of the business strategy and is embedded in the ongoing strategic decision-making of both the KBC Insurance Group and KBC Group Re. The Group undertakes ORSA assessments at both the consolidated level and at the level of the individual material subsidiaries.

The ORSA relies on a broad set of business and risk processes, all contributing to the objectives defined in the ORSA policy. The reference points for the ORSA are the corporate strategy and the risk appetite. The main ORSA processes follow an annual cycle, closely aligned with the Group's

strategic planning. Given the maturity of KBC's insurance activities, this annual periodicity is considered appropriate.

In addition to the yearly ORSA cycle, KBC produces quarterly integrated risk reports that cover risk signals, developments in the risk profile, and the outcomes of stress and scenario testing. For KBC Group Re, these local reports are discussed by the Board of Directors. At Group Level, reports are escalated to the Executive Committee and the Board of Directors of KBC Group, supporting their oversight of stress testing, mid- and long-term risk assessments, and the underlying strategic assumptions.

The annual ORSA assesses the situation as of 31 December and is submitted to the supervisory authority before 30 June of the following year. KBC does not distinguish between the internal and the supervisory ORSA report. Each ORSA is complemented with an ORSA record which compiles all documentation used throughout the process.

Based on the analyses and assessments performed, the ORSA report concludes on the adequacy of available capital to meet cover the capital requirements. This conclusion considers:

- Expected changes in the amount and composition of available regulatory capital over the planning horizon and under different economic conditions.
- Expected developments in required regulatory capital over the planning horizon, reflecting changes in the risk profile.
- The impact of scenario analyses and sensitivities on both available and required capital.

KBC Group Re applies the Solvency II standard formula to assess its overall solvency needs. An annual assessment is performed to confirm that the standard formula remains appropriate given the Company's specific risk profile.

B.4. Internal control system

Three lines of defence concept

To further strengthen the Internal Control System within KBC Group, the three lines of defence concept is applied. This framework ensures a clear allocation of responsibilities and an effective control environment throughout the organisation.

The roles and responsibilities of the different actors within the three lines of defence are highlighted in this chapter.

✓ **First line of defence: Business Entities**

The first line of defence – the business - has full ownership of its risks. It is responsible for identifying, understanding and managing these risks, as well as executing the necessary controls. This includes allocating sufficient priority and resources to risk-related matters, ensuring that business self-assessments are of high quality, and performing the appropriate controls in an effective and consistent manner.

The table below summarises the roles and responsibilities of the first line of defence.

| Function | Description |
|-------------------------|---|
| Strategy and governance | <ul style="list-style-type: none"> - Develop a local business strategy within the defined risk appetite - Implement locally the KBC Risk Management Framework for each relevant risk type within their activities, as well as the Group Compliance Rules and the first line controls in the compliance domains |
| Execution | <ul style="list-style-type: none"> - Make risk-aware decisions within the defined playing field for their business areas - Manage their risks, including those arising from outsourced activities and outstanding contractual liabilities, in line with the KBC Risk Management Framework. This includes <ul style="list-style-type: none"> o identifying risks within their business o performing qualitative and quantitative risk measurements o reporting (including analysis, evaluation and presentation) o responding to the risk according to the accountability rules, including: <ul style="list-style-type: none"> ✓ risk mitigation ✓ risk transfer ✓ risk acceptance - Manage Compliance risk in accordance with the Group Compliance Framework: the Group Compliance Charter and Integrity Policy, the Group Compliance Risk Appetite, the Group Compliance Rules, and the Group Compliance Monitoring Program and recommendations. |
| Oversight | <ul style="list-style-type: none"> - Maintain oversight through established reporting lines of <ul style="list-style-type: none"> o the actual risk environment and compliance with the defined playing field o the control environment and compliance with applicable local regulations. |

Table 4 Roles and responsibilities of the first line of defence

✓ **Second line of defence: Risk, Compliance, Actuarial function, Tax, Legal function, Group Finance**

Independent from the business, the second-line risk and control functions formulate their own opinion regarding the risks confronting KBC. Their role is to provide assurance that the first line is effectively managing these risks, without assuming the primary responsibilities that rest with the business.

Risk Function

The Risk function formulates independent opinions on the risks to which KBC is exposed and on the adequacy of the risk-mitigation measures in place. To ensure consistency and based on high standards, it develops, mandates and monitors the implementation of risk frameworks and tools for identifying, measuring and reporting risks. To make sure that its voice is heard, the Risk function also has a veto right within relevant decision-making bodies.

Compliance Function

The compliance function has as prime objective to prevent KBC from incurring compliance risks or suffering losses of any kind due to non-compliance with applicable laws, regulations, internal rules or policies assigned to its remit. Particular emphasis is placed on adherence to the Integrity Policy. It performs this second line role by:

- The identification, assessment and analysis of risks within the Compliance domains, in cooperation with the business;
- An advisory role to support the business entities in implementing requirements, establishing internal procedures and providing necessary training and awareness initiatives;
- A monitoring role by performing second-line controls to verify compliance with requirements

Actuarial Function

Details on the structure, responsibilities and operation of the Actuarial function are provided in section B6.

Role specificities within the second line

Due to the specific tasks of each specific function, each second line can also assume first-line accountability (e.g. calculations of risk metrics or own risk and solvency self-assessment by the risk function). When performing such tasks, the second line function becomes accountable for the risks related to the activity in question and must therefore establish appropriate internal controls to ensure the reliability and quality of the result.

✓ **Third line of defence: Internal Audit.**

The Internal Audit function provides independent assurance to the Boards of Directors that the overall internal control environment is effective and that policies and processes are properly designed, implemented, and consistently applied throughout the Group. The structure and responsibilities of the Internal Audit function, as well as the way it fulfils its role within the organisation, are described in more detail in section B.5.

Function holders

For KBC Group Re, the compliance function is organisationally combined with the Risk Management function, reflecting the size of the entity and the nature of its risk profile. The local Risk Officer is the key function holder for both the Risk Management and Compliance functions.

B.5 Internal audit function

The internal audit function of KBC Group Re is exercised by KBC Group Corporate Audit. The responsibilities of Internal Audit are:

- To provide independent reasonable assurance to the Board of Directors and management on the quality, effectiveness and efficiency of the processes of risk management, internal control and corporate governance that are in place.
- To support the Board of Directors and management in taking up their responsibilities in these processes.
- To report any serious issues or risks which it becomes aware of and to undertake any required investigations into high-risk situations.
- To make clear and actionable recommendations which address weaknesses noted during its work and to follow up on the implementation status of these recommendations.

- To carry out any assignment or projects entrusted to it by the Board of Directors or management.

To safeguard its independence and objectivity:

- Internal Audit reports and is accountable to the Board of Directors (acting as Audit, Risk and Compliance Committee).
- The internal audit activity remains free from interference by any part of the organisation, including matters of audit selection, procedures, frequency, timing or report content.
- The appointment and dismissal of the Head of Internal Audit comes under the authority of the Audit Committee of KBC Group.
- Internal auditors are, during the exercise of their professional duties, authorised to have direct communication with any member of staff, as well as to access all premises and any records, files or data that are relevant to the performance of an assignment, subject to compliance with local regulations. All members of staff are requested to assist Internal Audit in fulfilling its roles and responsibilities.
- Internal Audit has the authority to perform assignments at its own initiative, subject to proper reporting to the Board of Directors.
- Internal Audit has the authority to inform directly, and at its own initiative, the Chairman of the Board of Directors, the Managing Director, the Statutory Auditors or the local Supervisory Authorities.
- Internal auditors must always be objective and impartial and seek to avoid any conflict of interest.
- Internal auditors are not directly involved in the operational organisation of an entity, nor in deciding, developing, introducing or implementing risk management and internal control measures.
- Internally recruited auditors respect a “cooling-off” period.
- Whenever practicable and without jeopardising competence and expertise, internal audit staff will periodically rotate within the internal audit function to boost independence.

Internal Audit periodically examines and evaluates the areas within its scope. The audit plan is defined applying a risk-based approach while ensuring adequate coverage of matters of legal or regulatory interest. The audit plan is approved by the Board of Directors when acting as Audit, Risk and Compliance Committee.

The approach followed in performing the audit assignments is described in resulting audit reports so that their readers can consider the findings against the approach followed. A risk-based approach is used as the primary auditing method. The level of assurance, which may be gained from Internal Audit’s work, is relative to the nature and extent of work carried out. It is therefore essential that the auditor involved, when giving a reasoned opinion, documents the nature and the extent of the work undertaken.

The implementation of the audit recommendations is the responsibility of the management that will communicate the status of this follow-up regularly to Internal Audit, for monitoring purposes.

The independence and objectivity of Internal Audit is assured by the Internal Audit Charter approved by the Board of Directors. The Charter also describes the functioning and organization of the Internal Audit function.

B.6 Actuarial function

The Actuarial function is one of the key control functions defined under the Solvency II regulatory framework. Its primary objective is to provide independent assurance to the Board of Directors on actuarial matters relevant to Solvency II.

The core tasks of the actuarial function include:

- ensuring the appropriateness of the methodologies, underlying models and assumptions used in the calculation of technical provisions;
- assessing the sufficiency and quality of the data used in the calculation of technical provisions;
- comparing best estimates assumptions and outcomes against actual experience;
- informing the administrative, management or supervisory body of the reliability and adequacy of the calculation of technical provisions;
- expressing an opinion on the overall underwriting policy;
- expressing an opinion on the adequacy of reinsurance arrangements; and
- contributing to the effective implementation of the risk management system, in particular with respect to the risk modelling processes underlying the calculation of capital requirements.

Within the KBC Insurance Group, the Actuarial Function is set up as follows:

- The Actuarial Function operates under the ultimate accountability of the Board of Directors.
- An 'Actuarial Function Holder' (AFH) is appointed for each local entity as well as at KBC Insurance Group level. The AFH must be employed by the entity he or she represents, and this responsibility cannot be outsourced outside the entity.
- The AFH coordinates the activities of the Actuarial Function. In line with the Solvency II definition, a 'function' refers to the organisational capacity to perform specific governance tasks and is therefore not limited to a single individual or department but may be allocated across several persons or units, provided adequate segregation of duties is ensured.
- The core task of the Actuarial Function is to provide the independent 'second pair of eyes', required for the AFH to fulfil all regulatory obligations. The Actuarial Function provides input to the AFH, including the formation of opinions, commendations and support in drafting the Actuarial Function Report.

B.7 Outsourcing

Outsourcing principles

KBC Group Re outsources certain activities to ensure efficiency and to leverage specialised expertise.

To manage the risks associated with outsourcing, the company applies a comprehensive policy on regulated outsourcing. This policy applies to both intragroup and external outsourcing arrangements. Its purpose is to ensure that KBC Group Re retains fully responsibility for outsourced activities and that related risks are appropriately managed. The policy sets out:

- the definition of outsourcing as applied within KBC Group
- the restrictions, roles and responsibilities relating to outsourcing
- a high-level process description, including the monitoring requirements

For each outsourcing arrangement, an outsourcing coordinator is appointed. The coordinator must notify the outsourcing function of any new outsourcing files, as well as any material changes or renewal of existing arrangements.

In the case of an outsourcing initiative, a due diligence is required and a mandatory risk assessment must be carried out. This assessment must be supported by mandatory advice from the relevant control functions. The assessment covers, among other areas:

- Operational risk
- Legal risk
- Compliance risk
- (If applicable) the risks monitored by the Actuarial function.

Intragroup outsourcing

Some of KBC Group Re's activities are performed at group level to ensure centralisation, independence, consistency and synergies. These include several Solvency II related processes, such as:

- Calculation of Solvency Capital Requirements calculation
- Certain components of the Best Estimate of technical provisions (e.g. Risk Margin)
- Automated compilation of part of pillar 3 quantitative reports.

The Internal audit function is fully outsourced to KBC Group.

Asset management activities are outsourced to KBC Asset Management NV.

All these activities are classified as critical or important operational functions or activities.

Critical or important outsourcing to external parties

KBC Group Re also outsources parts of its ICT management to a certified Luxembourg 'Professionnel du Secteur Financier'. In addition, the company maintains an outsourcing arrangement with Duck Creek, regarding the cloud-based (Saas - AWS) hosting of the reinsurance application "PrimaXL".

B.8 Any other information

No other information to report.

C. Risk profile

KBC Group Re is exposed to a number of industry-specific risks, including movements in interest rates and exchange rates, insurance underwriting risks, credit risks and operational risks. This section focuses on the most material sector-specific risks to which KBC Group Re is exposed.

The Risk Appetite Statement of KBC Group Re reflects the view of the Board of Directors and management regarding overall risk-taking and the acceptable level and composition of risks in relation to the targeted returns. This statement defines the risk profile and risk appetite for each risk type, classifying them as Low, Medium or High risk. This results in a risk appetite and risk profile as illustrated in Figure 1.

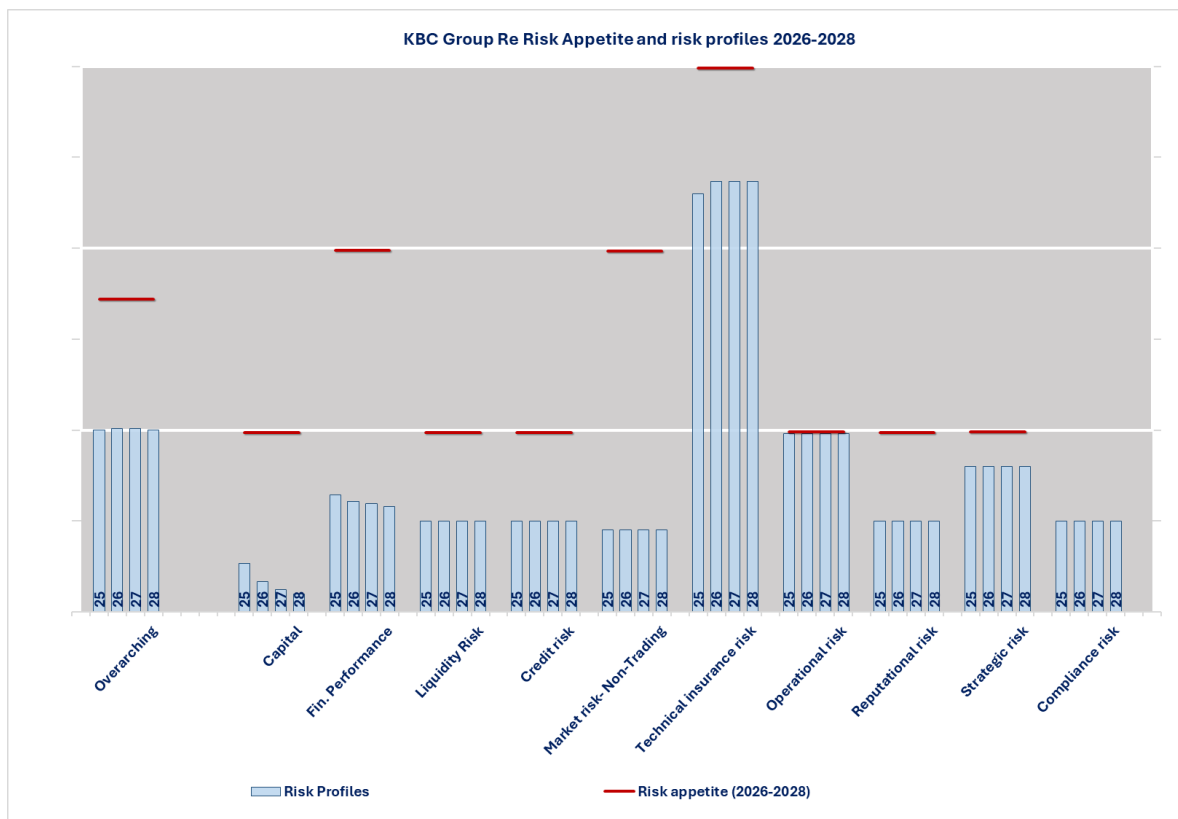


Figure 1 Risk appetite versus risk profile (2025-2028)

The following paragraphs present the assessment of the risk profile for each individual risk type. To obtain an overall view of the company's risk profile, management aggregated these assessments across all risk categories. Based on this aggregation, management concluded that KBC Group Re has a low overall risk profile, although positioned at the boundary between low and medium.

It should be noted that no standalone risk appetite is defined for Environmental, Social and Governance (ESG) risk, as ESG considerations materialise through the traditional risk types. Accordingly, the ESG risk appetite objective is reflected in the qualitative statements provided for each risk type.

Figure 2 presents the Solvency Capital Requirement (SCR) calculated using the Solvency II standard formula, while Figure 3 illustrates the evolution of the individual risk components during 2025. At year-end 2025, the required capital amounted to 93,96 million EUR, compared with available capital of 354,37 million EUR. This results in a solvency ratio of 377%.

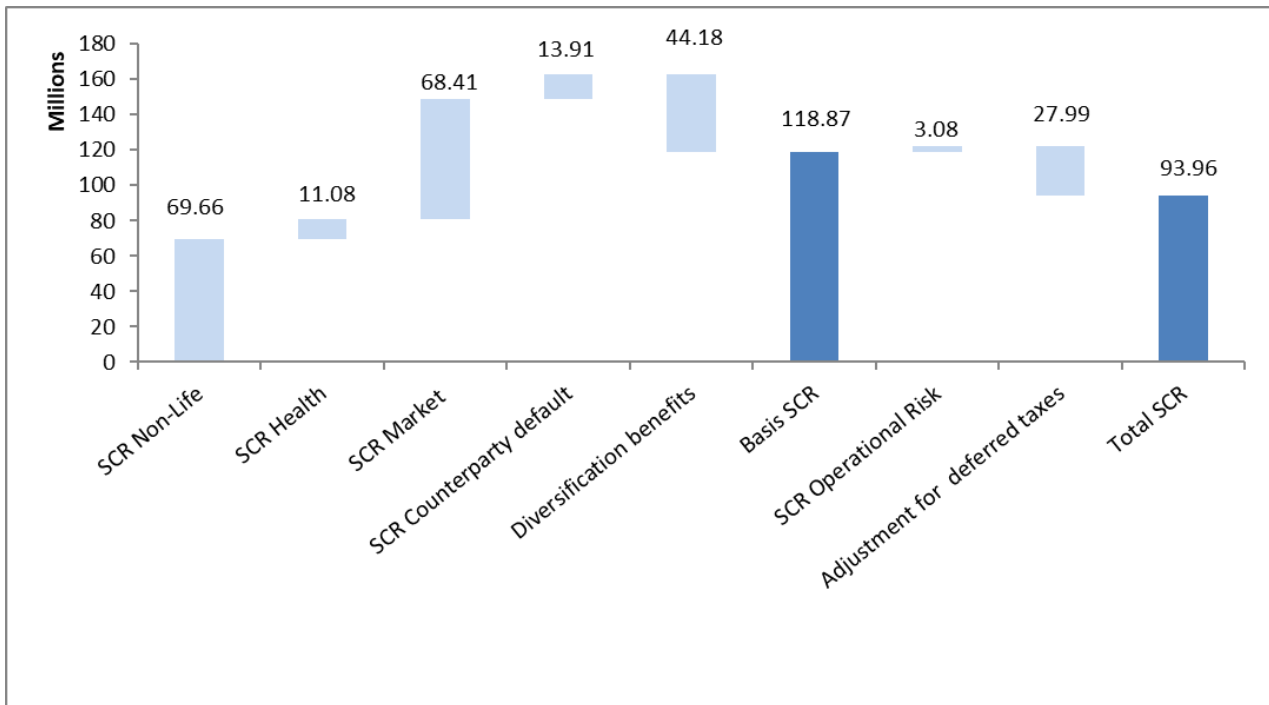


Figure 2 KBC Group Re Solvency II capital requirement as at 31/12/2025

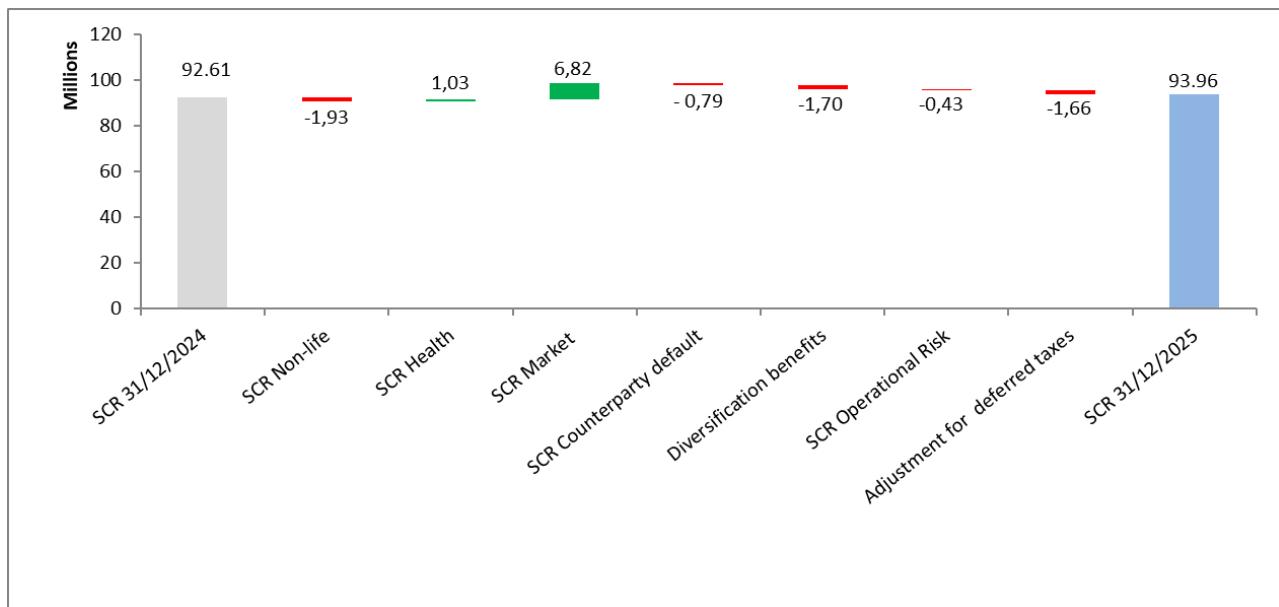


Figure 3 Evolution of SCR in 2025

See the section on Capital management for further details on Solvency capital requirement.

C.1 Underwriting risk

‘Underwriting risks’ or ‘Technical Insurance risks’ arise from uncertainty regarding the frequency and severity of insured losses. As KBC Group Re is not active in life reinsurance, underwriting risk is confined to the non-life portfolio (including health).

Underwriting risks can be categorised into the following main types:

- Premium and reserve risks, resulting from fluctuations in the timing, frequency and severity of insured events, and in the timing and amount of claim settlements;
- Catastrophe risks, arising from significant uncertainty in pricing and reserving assumptions related to extreme or exceptional events.

These risks are managed and kept under control through sound underwriting practices, appropriate pricing, prudent claims reserving and reinsurance policies, as well as through independent insurance risk management.

As described in Section A.1, KBC Group Re is the reinsurance subsidiary of KBC Group, specializing in providing protection to the Group’s banking and insurance entities. In line with its role as an internal reinsurer, a certain degree of earnings volatility is acceptable, as the risks are not diversified across a large number of external clients or products, unlike in traditional (re)insurance companies. This concentration of exposure explains why underwriting risk is the predominant component of the overall risk profile shown in Figure 2.

The Group risk function develops and rolls out a group-wide framework for managing insurance risks across all (re)insurance entities. It is responsible for providing support on local implementation and for steering the insurance risk management processes of the (re)insurance subsidiaries.

The insurance risk management framework is structured around the following key building blocks:

- Adequate identification and analysis of material insurance risks, including the assessment of emerging risks, concentration and accumulation risks, and the development of early warning signals;
- Appropriate risk measurements techniques and the application of these measurements to support the company towards creating maximum shareholder value. Examples include best estimate valuations of insurance liabilities, ex post economic profitability analyses, exposure modelling for natural catastrophes and other Life, Non-Life and Health risks, stress testing, and internal capital requirement calculations;
- Stress testing and sensitivity analysis to assess the company’s resilience under adverse scenarios;
- Regular reporting and follow-up of risk measurements through the Integrated Insurance Risk Report;
- Setting insurance risk limits, monitoring compliance with those limits and providing advice on reinsurance programmes.

The following risk aspects have a significant impact on the underwriting risk profile of a (re)insurance company:

Concentration risk (within underwriting risk):

The main concentration risks relevant for underwriting risk include:

- Natural catastrophe risks, such as storms, floods, earthquakes, and other severe natural events;

- Non-natural catastrophe risks or ‘man-made’ catastrophe risks, including pandemic events, major individual losses, and other extreme human-driven scenarios;
- Concentration risks linked to specific activities, for example nuclear risks, terrorism risks, or other exposures characterised by low frequency but high severity.

KBC Group risk management has developed a model to assess the group-wide exposure to all Non-Life insurance risks, including natural hazards. This model quantifies the most material Non-Life insurance risks (catastrophe and premium & reserve risk) across all Group entities, taking into account the impact of outward reinsurance. The resulting concentration risk exposures are used to verify compliance with the established limit frameworks, which in turn support the determination of adequate reinsurance coverage.

Risk mitigation

In addition to strict underwriting guidelines that ensure sound and prudent underwriting, KBC Group Re purchases reinsurance to support the strategic objectives set out in the Risk Appetite Statement. To achieve these objectives, the reinsurance policy requires the company to obtain reinsurance protection that ensures its net exposure remains within the limits defined in the risk-retention framework. Reinsurance programmes are reviewed and renegotiated annually. Most of the reinsurance contracts are concluded on a non-proportional basis, providing protection against the impact of large individual claims or significant loss events.

As shown in Figure 2, the SCR for underwriting amounts to 80,7 million EUR, representing 48,6% of the undiversified Solvency II pillar 1 capital requirement before adjustment for deferred taxes. Table 5 confirms the predominance of ‘catastrophe’ risks which is fully consistent with the company’s role as the internal reinsurer within the KBC Group.

| <i>mIn EUR</i> | 31/12/2024 | 31/12/2025 | Nominal change | Relative change |
|---|-------------|-------------|----------------|-----------------|
| SCR Non-Life | 71.6 | 69.7 | -1.9 | -2.7% |
| <i>Premium and reserve risk</i> | 23.6 | 25.6 | 1.9 | 8.2% |
| <i>Catastrophe</i> | 61.9 | 58.7 | -3.2 | -5.2% |
| <i>Diversification benefit</i> | -14.0 | -14.6 | -0.7 | 4.7% |
| SCR Health | 10.1 | 11.1 | 1.0 | 10.2% |
| <i>Premium and reserve risk</i> | 1.5 | 1.7 | 0.2 | 14.4% |
| <i>Catastrophe</i> | 9.6 | 10.5 | 1.0 | 10.0% |
| <i>Diversification benefit</i> | -1.0 | -1.2 | -0.1 | 13.9% |
| Total SCR Insurance Risks before diversification | 81.6 | 80.7 | -0.9 | -1.1% |

Table 5 SCR Underwriting Risk of KBC Group Re (31/12/2025)

Overall, the total capital charge for insurance risks decreased by 1,1% in 2025. The decrease was primarily driven by changes in the company’s risk exposure during the year and by the impact of the reinsurance programme.

C.2 Market risk

Market risk is the risk of potential losses resulting from fluctuations in the level or volatility of market prices of assets, liabilities and financial instruments. The types of market risk discussed in this section are:

- Interest rate risk
- Spread risk
- Equity risk
- Currency risk
- Concentration risk

KBC Group Re is not exposed to 'Property risk' as the company does not hold any direct real-estate assets.

As shown in Figure 2, the SCR for market risk amounts to 68,4 million EUR representing 41,2% of the undiversified Solvency II pillar 1 capital requirement before the adjustment for deferred taxes. Table 6 highlights the predominance of equity risk among all the various market risk components.

| <i>mIn EUR</i> | 31/12/2024 | 31/12/2025 | Nominal change | Relative change |
|--|-------------|-------------|----------------|-----------------|
| Interest rate risk | 11.9 | 14.5 | 2.6 | 22.1% |
| Equity risk | 45.0 | 51.7 | 6.7 | 14.8% |
| Spread risk | 6.0 | 5.6 | -0.4 | -6.3% |
| Currency risk | 22.0 | 22.7 | 0.6 | 2.9% |
| Concentration risk | 2.6 | 1.4 | -1.2 | -47.1% |
| Total SCR market risk before diversification | 87.6 | 95.9 | 8.3 | 9.5% |
| Diversification benefits | -26.0 | -27.5 | -1.5 | 5.8% |
| Total SCR after diversification and adjustments | 61.6 | 68.4 | 6.8 | 11.1% |

Table 6 SCR Market Risk of KBC Group Re (31/12/2025)

Asset and liability management

The process of managing exposure to market risks is referred to as Asset/Liability Management (ALM). This exposure arises from several sources, including:

- Mismatches between reinsurance liabilities and the assets held to cover them;
- Risks linked to the investment portfolio which is managed for the purpose of investing shareholders' equity, including the equalisation provision;
- Currency exposure stemming from investments and reinsurance activities denominated in foreign currencies.

The Treasury function measures and manages these market risks within the boundaries defined by the company's risk appetite. ALM limits are approved by the Board of Directors for interest rate risk, equity risk, real estate risk and foreign exchange risk.

The second line of defence is fulfilled by Group Risk and the local risk function. Their main responsibility is to measure ALM risks and to identify and escalate current and emerging risk

positions. The key building blocks of KBC's ALM Risk Management Framework, as implemented within KBC Group Re, include:

- A broad set of risk measurement techniques such as Basis-Point-Value (BPV) and economic sensitivities, supported by a limit framework that is monitored on a regular basis;
- Capital sensitivities related to the investment portfolio, which influence the level of available regulatory capital;
- Stress testing and sensitivity analysis to assess the company's resilience under adverse market conditions.

Interest rate risk

Interest rate risk is the risk that the value of assets, liabilities and financial instruments will fluctuate due to changes in interest rates.

The main technique used to measure and monitor interest rate risk is the 10 Basis-Point Value (10 BPV) method, which assesses the impact on the value of the portfolio of a parallel upward shift of ten basis points across the entire interest-rate curve. A negative BPV figure indicates that such an increase in interest rates would lead to a reduction in the net asset value of the portfolio.

The evolution of this metric during 2025 is presented in Table 7, showing a stable risk position. Other measurement techniques, such as the duration approach and stress testing, are also applied to obtain a comprehensive view of the company's exposure to interest rate movements.

| | <i>mIn EUR</i> | 31/12/2024 | 31/12/2025 | Absolute change |
|-------------------------------|----------------|------------|------------|-----------------|
| Interest (Swap +10 BPV) limit | | -1.11 | -1.13 | -0.02 |

Table 7 Impact of a parallel 10 BPV increase in risk-free IR curve

The required capital for interest rate risk is determined by assessing the impact on available capital resulting from shocks applied to the yield curve. It corresponds to the maximum loss arising from (i) an upward shock or (ii) a downward shock, calculated in accordance with the Solvency II standard formula. Given KBC Group Re's substantial capital buffer and to the low duration of its liabilities, the 'upward' shock is the binding scenario.

As shown in Table 6, the SCR for interest rate risk increased by 22,1%, driven mainly by the higher volume of the bond portfolio.

Spread risk

Spread risk is the risk that the value of assets, liabilities and financial instruments will fluctuate due to changes in the level or volatility of credit spreads over risk-free interest rates.

This risk is managed through a strategic asset allocation that ensures a well-diversified, high-quality investment grade portfolio. Where relevant, credit ratings issued by external rating agencies are used in the asset-selection process and for defining and monitoring exposure limits. A predominant share of the bond portfolio consists of sovereign exposures, as illustrated in Table 8.

| | 31/12/2024 | | 31/12/2025 | | |
|---|----------------|--------------|---------------|--------------|---------------|
| | <i>mln EUR</i> | Amount | in % | Amount | in % |
| Bonds | | 328.6 | 69.0% | 376.9 | 71.8% |
| <i>of which Government bonds</i> | | 188.4 | 39.6% | 202.9 | 38.7% |
| <i>of which Corporate bonds</i> | | 140.2 | 29.4% | 174.0 | 33.1% |
| Equity | | 107.6 | 22.6% | 110.3 | 21.0% |
| <i>of which listed</i> | | 106.7 | 22.4% | 110.0 | 20.9% |
| <i>of which unlisted (incl. Collective investment undertakings)</i> | | 0.9 | 0.2% | 0.4 | 0.1% |
| Cash | | 40.2 | 8.4% | 37.7 | 7.2% |
| <i>of which term deposits</i> | | 0.0 | 0.0% | 0.0 | 0.0% |
| <i>of which cash at bank</i> | | 40.2 | 8.4% | 37.7 | 7.2% |
| Total | | 476.3 | 100.0% | 524.9 | 100.0% |

Table 8 Asset Mix KBC Group Re

As shown in Table 9, the share of the corporate bond portfolio that is not externally rated decreased from 1,4% to 1,2%. The portion of the portfolio rated A or higher increased to 93,9% compared with 89,7% at year-end 2024. This development reflects a further strengthening of the credit quality of the investment portfolio, reducing exposure to lower-rated or unrated issuers and contributing to a more resilient credit-risk profile.

| <i>Rating</i> | 31/12/2024 | | 31/12/2025 | | |
|----------------------|-------------------------------|--------------|-------------|--------------|-------------|
| | <i>Market value - mln EUR</i> | amount | in % | amount | in % |
| CQS 0 (AAA) | | 12.0 | 8.6% | 9.8 | 5.6% |
| CQS 1 (AA) | | 33.0 | 23.5% | 39.7 | 22.8% |
| CQS 2 (A) | | 80.7 | 57.6% | 113.8 | 65.4% |
| CQS 3 (BBB) | | 12.5 | 8.9% | 8.6 | 5.0% |
| CQS 4 (BB) | | 0.0 | 0.0% | 0.0 | 0.0% |
| CQS 5 (B) | | 0.0 | 0.0% | 0.0 | 0.0% |
| CQS 6 (CCC or lower) | | 0.0 | 0.0% | 0.0 | 0.0% |
| Non rated | | 2.0 | 1.4% | 2.0 | 1.2% |
| Total | | 140.2 | 100% | 174.0 | 100% |

Table 9 Rating distribution of the Corporate bonds portfolio

The evolution of country diversification within the government bond portfolio is presented in Table 10. The portfolio remained broadly diversified across several European sovereign issuers, with a slight decrease in the relative weight of Belgium and increased exposures to the European Union and Spain.

| SOVEREIGN BOND - COUNTRY DISTRIBUTION | | | | |
|--|-------------------|-------------|-------------------|-------------|
| <i>Geographic distribution</i> | 31/12/2024 | | 31/12/2025 | |
| <i>Market value - mln EUR</i> | amount | in % | amount | in % |
| Austria | 19.0 | 10.1% | 18.9 | 9.3% |
| Belgium | 64.0 | 33.9% | 63.7 | 31.4% |
| European Union | 20.9 | 11.1% | 38.5 | 19.0% |
| France | 11.4 | 6.1% | 6.4 | 3.1% |
| Ireland | 6.3 | 3.3% | 0.0 | 0.0% |
| Latvia | 1.0 | 0.5% | 1.0 | 0.5% |
| Lithuania | 4.0 | 2.1% | 3.0 | 1.5% |
| Luxemburg | 18.1 | 9.6% | 18.2 | 9.0% |
| Malta | 1.8 | 1.0% | 1.8 | 0.9% |
| Portugal | 12.7 | 6.8% | 12.7 | 6.3% |
| Slovakia | 11.8 | 6.3% | 11.9 | 5.8% |
| Slovenia | 8.0 | 4.2% | 5.0 | 2.5% |
| Spain | 5.0 | 2.6% | 17.3 | 8.5% |
| US | 4.4 | 2.3% | 4.5 | 2.2% |
| Total | 188.4 | 100% | 202.9 | 100% |

Table 10 Country distribution of the Sovereign bonds portfolio

Within the Solvency II standard formula, the required capital for spread risk is calculated as the sum of the capital charges for bonds, structured products and credit derivatives. For KBC Group Re, only the capital requirement for bonds is applicable, as the portfolio does not contain structured products or derivatives. The capital charge depends on (i) the market value, (ii) the modified duration and (iii) the credit quality category. As shown in Table 6, the SCR for spread risk decreased slightly by 6,3%, despite an increase in market value of the corporate bond portfolio. This decline reflects an improvement in the overall credit quality of the portfolio.

Equity risk

Equity risk is the risk that the value of assets, liabilities and financial instruments changes due to fluctuations in the level or volatility of equity prices. The ALM strategies for the insurance business are based on a risk-return assessment that takes into account the market risks attached to open equity positions.

As shown in Table 11, the equity portfolio is well diversified geographically.

| Geographic distribution | 31/12/2024 | | 31/12/2025 | | |
|-------------------------|----------------|--------------|------------|--------------|-------|
| | <i>mln EUR</i> | amount | in % | amount | in % |
| Belgium | | 2.9 | 2.7% | 3.5 | 3.2% |
| China | | 0.8 | 0.8% | 1.3 | 1.1% |
| Denmark | | 0.9 | 0.8% | 0.5 | 0.4% |
| France | | 10.7 | 10.1% | 11.1 | 10.1% |
| Germany | | 1.7 | 1.6% | 3.8 | 3.5% |
| Ireland | | 2.0 | 1.9% | 2.3 | 2.1% |
| Japan | | 3.5 | 3.3% | 3.6 | 3.3% |
| Netherlands | | 7.4 | 7.0% | 6.7 | 6.1% |
| Spain | | 0.6 | 0.6% | 0.6 | 0.5% |
| Switzerland | | 3.7 | 3.4% | 4.6 | 4.2% |
| United Kingdom | | 0.0 | 0.0% | 2.9 | 2.7% |
| United States | | 72.4 | 67.8% | 69.2 | 62.9% |
| Total | | 106.7 | | 110.0 | |

Table 11 Geographic distribution of the equity portfolio

As shown in Table 6, the SCR for equity risk increased by 14,8% driven by the higher value of the equity portfolio and the strong market performance in 2025, which resulted in a higher symmetric adjustment under the Solvency II standard formula. The symmetric adjustment is a Solvency II mechanism that increases or decreases the equity capital charge depending on medium-term market performance. Strong markets lead to a positive adjustment (higher capital charge), while weak markets lead to a negative adjustment (lower capital charge).

Currency risk

Currency risk is the risk that the value of assets, liabilities and financial instruments fluctuates due to changes in the level or volatility of foreign-exchange rates.

A risk budget is set and monitored accordingly.

In line with the Risk Appetite Statement, no hedging is applied for the non-euro denominated equity positions. This explains the significant SCR for currency risk shown in Table 6.

Concentration risk

Concentration risk is the risk of accumulating exposures to the same counterparty.

To mitigate this risk, issuer limits for non-sovereign exposures are defined in the investment strategy and monitored accordingly. As a result, this risk is of low materiality, as reflected in Table 6.

C.3 Credit risk

Credit risk, or counterparty default risk, represents the potential losses from the unexpected default or deterioration of the creditworthiness of counterparties and debtors reflects, as defined under the Solvency II standard formula. Assets that fall within the scope of spread risk are, by definition, excluded from counterparty default risk, and vice versa.

For KBC Group Re, counterparty default risk arises from the following types of exposures:

- Reinsurance recoverables
- Cash and deposits
- Deposits with ceding undertakings
- Receivables

In the Solvency II standard formula, a distinction is made between two types of exposures:

- Type 1 exposures: typically low-diversified counterparties that usually have a credit rating
- Type 2 exposures: generally more diversified exposures involving unrated counterparties

The total requirement for counterparty default risk is obtained by aggregating the Type 1 and Type 2 capital charges using a 75% correlation factor.

As shown in Figure 2, the SCR for counterparty default risk amounts to 13,9 million EUR, representing 8,4% of the undiversified Solvency II pillar 1 capital requirement before adjustment for deferred taxes. Further details are provided in Table 12. The decrease in this SCR is mainly driven by a reduction in Type 2 exposure, reflecting lower receivables.

| | <i>mIn EUR</i> | 31/12/2024 | 31/12/2025 | Nominal change | Relative change |
|---|----------------|-------------|-------------|----------------|-----------------|
| Type 1 counterparty | | 2.6 | 2.9 | 0.3 | 9.7% |
| Type 2 counterparty | | 12.6 | 11.6 | -1.0 | -7.9% |
| Total SCR counterparty risk before diversification | | 15.2 | 14.5 | -0.8 | -4.9% |
| Diversification benefits | | -0.5 | -0.6 | 0.0 | 6.5% |
| Total SCR counterparty risk after diversification | | 14.7 | 13.9 | -0.8 | -5.4% |

Table 12 SCR Counterparty Risk (31/12/2025)

To mitigate reinsurance counterparty risk, minimum target Financial Strength Ratings are required when entering into a reinsurance contract. More stringent requirements apply for long-tail business (such as liability), given the longer settlement periods and higher sensitivity to counterparty credit quality.

In addition, from a KBC Group perspective, entities are restricted in taking credit-concentration risk through the Portfolio Limit System (PLS). Limits are monitored per asset class, with ceded reinsurance treated as a separate class. This framework also mitigates credit risk in respect of investments. The reinsurance exposure is measured using a nominal approach (maximum potential loss under reinsurance contracts) and expected loss calculations, among other techniques. Name-specific concentration limits apply, based on internal or external ratings.

C.4 Liquidity risk

Liquidity risk is the risk that an organisation may be unable to meet its payment obligations as they fall due, without incurring unacceptable losses. Under the Solvency II regime, liquidity risk is not quantified within the Solvency Capital Requirement.

Currently, liquidity risk is managed through continuous monitoring of the Investment Policy. This policy ensures that the investment portfolio consists predominantly of highly liquid assets. Recourse

to repurchase ('repo') transactions is permitted up to 25 million EUR, providing additional flexibility when needed. Liquidity risk is further mitigated by provisions in retrocession contracts that allow KBC Group Re to request cash claim payments from reinsurers once predefined contractual thresholds are exceeded.

Table 13 shows that 48% of total invested assets are classified as highly liquid, reflecting a strong liquidity position.

| | mIn EUR | 31/12/2024 | 31/12/2025 |
|---|---------|--------------|--------------|
| Cash & Bank Deposits | | 40.2 | 37.7 |
| Sovereign bonds | | 188.4 | 202.9 |
| Covered bonds | | 16.6 | 11.8 |
| Total highly liquid assets | | 245.1 | 252.5 |
| Total invested assets | | 476.3 | 524.9 |
| Liquid assets as a % of total assets | | 51% | 48% |

Table 13 Liquidity of the assets of KBC Group Re

C.5 Operational risk

Operational risk refers to the risk of loss resulting from inadequate or failed internal processes and systems, human error or external events, whether man-made or natural.

As shown in Figure 2, the SCR for operational risk amounts to 3,1 million EUR, representing 1,9% of the undiversified Solvency II pillar 1 capital requirement before adjustment for deferred taxes.

The governance, rules and procedures for operational risk management throughout KBC Group are outlined in the Operational Risk Management Framework. Its implementation is coordinated and monitored by the Operational Risk Competence Centre within Group Risk. This Competence Centre brings together risk experts at both Group and entity level. The Competence Centre works closely with other expert functions covering the nine operational risk subtypes: Information Technology, Information Security, Business Continuity, Process, Outsourcing and Third-Party, Model, Legal, Fraud and Personal and Physical Security risk. A number of group-wide building blocks are defined to ensure effective management of operational risks:

- **Risk identification:** KBC identifies its operational risks based on various sources such as following up on legislation, using the output of the New and Active Product Process (NAPP), performing risk scans, analysing key risk indicators and performing independent control monitoring activities and root cause analysis of operational incidents, near misses and losses. A structured repository of operational risks and related mitigating controls is in place, with a review process ensuring that the repository remains in line with new or emerging operational risk subtypes. Risk self-assessments on the operational business lines are performed by the first line of defence with the aim of identifying additional local risks and possible operational control gaps. Dynamic trigger-based risk assessments are executed based on the continuous screening of both internal and external risk events. On top of that, risk signals are collected by regular proactive scanning of the environment to identify external or internal (cyber) trends which could negatively impact our company in a direct or indirect way.
- **Risk measurement:** Unified Group metrics and scales are in place to determine individual (inherent and residual) operational risk levels in the business lines and to underpin the risk

profile of an entity, in a comprehensive and integrated way across operational risk subtypes and across the KBC Group and its entities.

In addition, KBC closely monitors the maturity of its internal control environment in a data-driven way. This allows to frequently assess and report on maturity and take actions when necessary. Once a year, these insights also serve as input for an Internal Control Statement (ICS) which evaluates how well KBC entities are in control of and manage their operational risks. To determine the degree of assurance that a control measure mitigates a particular risk as expected, we measure the 'control effectiveness' via several metrics such as employee phishing campaign click rates, website vulnerability patching speeds and the number of processing errors.

- **Setting and cascading risk appetite:** Overall, KBC strives for a low operational risk environment in a business-as-usual situation. However, in the case of projects that introduce a large-scale transformation (such as mergers or acquisitions, changes in core insurance systems), the level is increased to 'the lower end of medium' whilst maintaining strict boundaries.
- **Risk analysis, reporting, response and follow-up:** a uniform approach – strongly based on first line of defence accountability (business side) and challenges by the second line of defence (risk, compliance, legal and other experts) and assurance by the third line of defence (internal audit) – is in place with risk-based follow-up at both local and Group level. Minimum standards for the operational risk management reporting process are defined.

Managing Operational risks in 2025

As a result of the geopolitical risks that further emerged in 2025, the cyber threat landscape was under increased pressure. Furthermore, the rapid evolution of Artificial Intelligence (incl. deepfake technology) also presented challenges to KBC's information risk management. KBC maintained a strong cybersecurity posture in 2025, with only a minimal number of incidents reported, none of which within KBC Group Re.

Information security, including cyber-crime fraud, remains a top risk within the group.

As financial institutions increasingly depend on internal and external service providers to support critical operations, the importance of robust Third Party Risk Management (TPRM) has become a strategic priority to safeguard KBC's operational resilience (e.g. continuity of services, prevent loss of data, ...). Recent regulatory initiatives, such as the Digital Operational Resilience Act (DORA), highlight the need to align outsourcing practices with evolving supervisory expectations. DORA aims to create a dedicated framework to safeguard digital operational resilience as the ability of firms and the financial sector to prevent, adapt, respond to, recover, and learn from operational disruptions. KBC continues to advance its commitment to digital operational resilience under DORA. KBC has transitioned to a further detailed implementation and embedding of DORA requirements into the ORMF, ensuring its governance and implementing oversight.

The broad spectrum of operational risks is categorised into a number of sub-risk types. In 2025, specific attention was paid to:

Information security risk management

Information risk management encompasses the risks of information security and information technology, driven by an ever-changing cyber threat landscape.

Information security risk is one of the most material risks that financial institutions face today, as it is driven by factors such as geopolitical tensions, organized cybercrime, technological growth and innovation (e.g., use of AI for phishing, deepfakes, ...) and internal factors (such as further digitalisation, experiments with emerging technology, and so on). These threats could lead to a loss of integrity, loss of confidentiality and unplanned unavailability, impacting our data, the availability of our operations and services, our reputation, and so on.

Cyber risk management is integrated into the ORMF, including analysis, reporting, registration and follow-up. This ensures alignment with broader risk oversight and our objectives. The actions implemented to manage cyber risk have a groupwide coverage and are part of a continuous process.

Third party risk management

Third party risk is the risk stemming from problems regarding continuity, integrity and/or quality of the activities outsourced to third parties (whether or not within the group), partnered with third parties or from the equipment or staff made available by these third parties. In view of the potential impact on KBC and its clients, it is important to identify, assess, monitor, and control risks related to all third-party relationships throughout the entire lifecycle of those relationships. Therefore, effective third-party risk management follows the stages of the life cycle for third-party arrangements, which includes due diligence, risk assessment, contracting, onboarding, ongoing monitoring and potential termination.

Internal governance arrangements and sound risk management are in place to assure that the third-party arrangements and the related third-party risks are properly managed and kept within the boundaries of the risk appetite. KBC specifies the minimum requirements for risk assessments, covering all risks affecting the operational and financial resilience of the third party, as well as the mandatory controls to be performed.

Outsourcing is a specific aspect of Third Party arrangements, where the service provider performs tasks that would otherwise be carried out by the institution itself. Regulatory frameworks such as the EIOPA Guidelines on Outsourcing provide comprehensive governance expectations, emphasizing risk-based decision-making, board-level accountability, and full lifecycle oversight of outsourcing relationships. To ensure robust management of its third-party processes and risks, KBC has defined one single group-wide approach. This approach comprises the Outsourcing & DORA TPRM policy which sets out the principles and strategy for third-party activities and standardises the approach when a transfer of an activity is considered.

Controls are in place to adequately mitigate risks arising from third parties during the full lifecycle of a contract. Qualitative risk governance of KBC's third-party activities is ensured by regular risk assessments; their frequency being defined by the criticality of the activity.

C.6 Other material risks

Business environment risk & strategic risk

Business environment risk is the risk arising from changes in external factors (the macroeconomic environment, regulations, client behaviour, competitive landscape, socio-demographic environment, etc.) that impact the demand for and/or profitability of products and services.

Strategic risk is the risk due to not taking a strategic decision, to taking a strategic decision that does not have the intended effect or to not adequately implementing strategic decisions.

Business and strategic risks are assessed as part of the strategic planning process via a risk scan that identifies the top financial and non-financial risks. Besides the risk scan, business and strategic risks are continually monitored by means of risk signals being reported to management.

Environmental, Social and Governance (ESG) risk

ESG risk is the risk of (current or prospective) environmental, social or (corporate) governance factors impacting us, directly or via our counterparties/exposure. Environmental risk is the risk arising from climate change (climate risk), nature and biodiversity loss (nature risk) or from other

environmental issues caused by human influences on nature, such as scarcity of fresh water, (air, water and soil) pollution and circularity.

A distinction is made between physical and transition risk:

- Physical risks: the risks arising from physical phenomena associated with both (chronic) climate or environmental trends such as changing weather patterns, rising sea levels, increasing temperature, biodiversity loss, resource scarcity, reduced water availability and changes in water and soil productivity, and (acute) extreme weather events including storms, floods, fires or heatwaves that may disrupt operations, value chains or damage property.
- Transition risks: the risks arising from disruptions and shifts associated with the transition to a low-carbon, climate resilient or environmentally sustainable economy. Examples include policy changes (e.g. imposition of carbon-pricing mechanisms, energy efficiency requirements or encouragement of sustainable use of environmental resources), climate-related litigation, technological changes/progress (e.g. old technology replaced by cleaner technology) and behavioural changes (e.g. consumers or investors shifting towards more sustainable products and services, increased litigation risk).

Social risk is the risk arising from changing expectations concerning relationships with employees, suppliers, customers and communities e.g. labour and workforce considerations (labour standards, working conditions, diversity, health and safety), human rights and poverty, community impact, customer relationships (customer protection e.g. against cyber-crime, product responsibility, responsible marketing), ...

Governance risk is the risk arising from changing expectations concerning corporate governance (corporate policies & code of conducts e.g. responsibilities of senior staff members, remuneration, internal controls, shareholder rights), anti-corruption & anti-bribery and transparency.

ESG risks, with a special focus on environmental risk, are top of mind at KBC.

In 2025, the Environmental Risk Impact Map (ERIM) was updated and a Social Risk Pilot exercise was performed for risk identification of social risks.

ESG risk is not shown separately in our risk appetite as this risk will impact / materialize through the traditional risk types. It is therefore to be seen as a (potential) additional risk driver, which will increase the risk profile of several risk types if not sufficiently mitigated.

The combined quantitative and qualitative insights are used to assess the potential impact from environmental risk on the risk profiles of the different risk types based on the conclusions of the Environmental Risk Impact Map.

C.7 Any other information

Sensitivity analyses and stress testing

Risk sensitivity and stress testing exercises are set up to uncover risks that would otherwise remain unidentified and also to allow observing how risk measurements change under stressed conditions. These sensitivity exercises are performed on a regular basis.

Stress testing is an important risk management tool that adds value both to strategic processes and to day-to-day risk management (risk identification, risk appetite and limit setting, etc.). As such, stress testing is an integral part of the risk management framework, and an important building block of ORSA (the Own Risk and Solvency Assessment).

Stress tests can be initiated by the regulators (EIOPA, group regulator or local regulator), or be performed internally (within the insurance group or locally).

D. Valuation for solvency purposes

This chapter provides information on the valuation of balance sheet items. A detailed overview as at year-end 2025 is presented in Table 14. A more granular breakdown of Solvency II values can be found in QRT S.02.01.02 - Balance Sheet.

For each material class of assets or liabilities:

- The bases, methods and main assumptions used for valuation for solvency purposes are described;
- A quantitative and qualitative explanation is provided for any material differences between the valuation for solvency purposes and the valuation under the financial statements.

| 31/12/2025 | (X 1.000 EUR) | LuxGaap Value | Solvency II Value | Delta |
|--|------------------------------------|----------------|-------------------|-----------------|
| Intangible assets | | 20 | 0 | -20 |
| Investments | | 476,126 | 487,205 | 11,079 |
| | <i>Equities</i> | 92,670 | 110,315 | 17,645 |
| | <i>Bonds</i> | 383,456 | 376,891 | -6,566 |
| Deposits to cedants | | 45,245 | 45,245 | 0 |
| Technical provisions - part of reinsurance | | 86,396 | 19,611 | -66,784 |
| (Re)insurance receivables | | 21,897 | 21,897 | 0 |
| Cash | | 37,743 | 37,743 | 0 |
| Tangible assets | | 99 | 99 | 0 |
| Other assets | | 10,461 | 10,461 | 0 |
| TOTAL ASSETS | | 677,986 | 622,261 | -55,725 |
| Technical provisions | | 566,107 | 107,291 | -458,816 |
| | <i>TP representing liabilities</i> | 154,548 | 54,119 | -100,428 |
| | <i>Risk Margin</i> | | 53,172 | 53,172 |
| | <i>Equalization Provision</i> | 411,559 | 0 | -411,559 |
| Other provisions | | 249 | 249 | 0 |
| Deposits from reinsurers | | 27,609 | 27,609 | 0 |
| Payables | | 33,569 | 33,569 | 0 |
| Deferred taxes | | 0 | 94,933 | 94,933 |
| Other liabilities | | 1,152 | 1,152 | 0 |
| TOTAL LIABILITIES | | 628,685 | 264,803 | -363,882 |
| Excess of Assets over liabilities | | 49,301 | 357,458 | 308,157 |

Table 14 Valuation of assets and liabilities in the financial statements and within Solvency II

D.1 Assets

D.1.1 FAIR VALUE MEASUREMENT

In line with the Delegated regulation, the valuation of financial assets for solvency purposes is based on 'fair value'. Three hierarchical levels are applied to determine fair value:

Level 1: Fair value based on quoted prices in active markets

The fair value hierarchy gives the highest priority to 'level 1 inputs'. When an active market exists, quoted prices must be used to measure financial assets or liabilities at fair value. Level 1 inputs are prices that are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and reflect actual and regularly occurring market transactions conducted on an arm's length basis. In this case, no valuation model or technique is used.

Level 2: Fair value based on observable market data

Observable inputs, referred to as 'level 2 inputs', reflect the assumptions that market participants would use when pricing an asset or liability, based on market data obtained from independent sources. These inputs also indicate the existence of an active market. Examples include risk-free rate, exchange rates, stock prices and implied volatility. Valuation techniques relying on observable inputs may include discounted cash flow analysis, references to the current or recent fair value of similar instruments, or third-party pricing, provided such prices are consistent with other observable market data.

Level 3: Fair value not based on observable market data

Unobservable inputs, referred to as 'level 3 inputs', reflect the reporting entity's own assumptions about the assumptions that market participants would use when pricing an asset or liability, including assumptions regarding the associated risks. These inputs indicate the absence of an active market. Examples of unobservable inputs include proxies, internally derived correlation factors or other model parameters that cannot be corroborated by observable market data.

Together, these three levels form the fair-value hierarchy used under Solvency II. The hierarchy prioritises the use of observable market data wherever available (Levels 1 and 2), while ensuring that robust and well-governed valuation techniques are applied when markets are not active and observable inputs are unavailable (Level 3). This structure aims to ensure consistency, transparency and reliability in the valuation of financial assets and liabilities for solvency purposes.

D.1.2 MAIN ASSETS CATEGORY

Intangible assets

Intangible assets are not recognised under the Solvency II framework, as they cannot be sold separately. Their valuation for solvency purposes is therefore set to nil.

In the LuxGaap financial statements, these assets, primarily software licenses, are recorded at acquisition cost and depreciated on a straight-line basis over their estimated useful lives.

Investments

The investment portfolio of KBC Group Re consists predominantly of bonds (approximately 77%). For solvency purposes, valuation is based on 'fair value' as defined in Section D.1.1.

In the LuxGaap financial statements:

- Investments in bonds are measured at amortised cost, net of impairments where a permanent loss in value is expected.
- Investments in equities are measured using the 'lower of cost or market' method.

Technical provisions – part of reinsurance

Further information on the valuation of technical provisions is provided in Section D.2.

Deposits to cedants

Deposits to cedants are recognised at nominal value under both Lux GAAP and Solvency II. In accordance with the applicable valuation principles, adjustments are recorded where there is evidence that the recoverable amount may be impaired or otherwise uncertain. No differences arise between the statutory and Solvency II balance sheets for this item.

Receivables

Receivables are measured at nominal value in both the Lux GAAP and Solvency II frameworks. Value corrections are applied where doubts exist regarding collectability, consistent with prudent valuation requirements. As a result, the valuation basis is aligned across both reporting regimes.

Cash

Cash and cash equivalents are valued at fair value, which corresponds to their nominal amount, under both Lux GAAP and Solvency II. No valuation adjustments or methodological differences apply.

D.2 Technical provisions

KBC Group Re conducts business exclusively in the field of non-life reinsurance, including health reinsurance contracts that are underwritten following non-life actuarial principles. The measurement of Technical Provisions for both pure non-life and health (non-life type) business is performed through a single, unified valuation process, applying consistent methodologies, assumptions, and data sources across all relevant lines of business.

Given the homogeneous nature of the underwriting approach and the alignment of the valuation framework, the Technical Provisions for non-life and health (non-life type) contracts are treated as one coherent business activity for Solvency II purposes.

D.2.1 TECHNICAL PROVISIONS – VALUATION FOR SOLVENCY PURPOSES

In accordance with the Solvency II framework, the Technical Provisions included in the Solvency II economic balance sheet are determined as the sum of the Best Estimate and the Risk Margin.

- The **Best Estimate** represents the probability-weighted average of future cash flows, considering all relevant expenses and incorporating the time value of money. Discounting is performed using the relevant risk-free interest rate term structure as prescribed by the regulator.

- The **Risk Margin** reflects the cost of providing eligible own funds necessary to support the (re)insurance obligations over their lifetime. It is calculated in line with the Cost-of-Capital (CoC) approach, using the prescribed CoC rate of 6%, as set out in the Solvency II Delegated Regulation.

The determination of the Best Estimate requires a projection of all expected future cash inflows and outflows arising from the existing (re)insurance obligations. These projected cash flows are discounted using the applicable regulatory risk-free yield curve.

For valuation purposes, Solvency II requires business to be segmented into homogeneous risk groups, representing portfolios sharing similar characteristics and risk dynamics, to ensure the consistent application of assumptions and methodologies. KBC Group Re therefore distinguishes between short-tail and long-tail lines of business when modelling future cash flows.

Solvency II also requires a separate calculation of:

- **Premium Provisions**, relating to future claims arising from unearned business and future premiums, and
- **Provisions for Claims Outstanding**, relating to all claims events that have already occurred, whether reported or not.

Each component is determined using appropriate, commonly accepted actuarial techniques, selected in accordance with the nature, scale and complexity of the underlying risks.

The reinsurers' share of both Premium Provisions and Provisions for Claims Outstanding is derived as the difference between the gross and the net Technical Provisions, adjusted for the expected default of reinsurers, in line with Solvency II requirements.

Premium provision

The Premium Provision represents the valuation of obligations relating to claim events that may occur after the valuation date during the remaining coverage period of existing contracts in force at that date.

The calculation of the gross Best Estimate for premium provisions encompasses:

- All expected future premiums arising from existing contracts, limited to those not yet due at the valuation date and therefore not recognised as receivables.
- All future claim payments arising from insured events occurring after the valuation date.
- All relevant expense cash flows, including allocated and unallocated claims handling expenses, administrative expenses linked to the ongoing servicing of the portfolio, future acquisition costs where applicable, and attributable overhead expenses.

The determination of the Premium Provision is based on the assumption that the portfolio within each homogeneous risk group is sufficiently stable, allowing historical claims experience to provide a credible basis for forecasting future cash flows. Consequently, assumptions regarding the expected frequency, severity, and timing of future claims are derived from observed past patterns.

Provisions for claims outstanding

The Provisions for Claims Outstanding correspond to obligations arising from claim events that have occurred on or before the valuation date, irrespective of whether the related claims have been reported or fully settled. This includes all reported claims, claims in the process of settlement, and claims that have occurred but have not yet been reported (IBNR).

The valuation of the Best Estimate for claims outstanding is performed using methods appropriate to the nature and scale of the underlying risks.

- Attritional claims are estimated using generally accepted actuarial techniques, based on historical claims development patterns.
- Large claims are assessed on an individual case-by-case basis, taking into account all available information on the specific loss event and its expected development.

In addition to the expected claim payments, the Best Estimate for claims outstanding also includes provisions for claims handling expenses, covering both internal and external costs required to manage and finalise the settlement of claims.

Impact of volatility adjustment

KBC Group Re applies the Volatility Adjustment (VA) to the risk-free interest rate term structure when discounting future cash flows for the determination of the Best Estimate. The VA is intended to mitigate the impact of short-term spread volatility on insurers' solvency positions, particularly for undertakings with long-term (re)insurance obligations.

The VA consists of an addition to the basic risk-free interest rate term structure and is designed to compensate for market-wide movements in asset spreads that are not related to default or downgrade risk. It is calculated as the difference between:

- the risk-adjusted yield derived from a representative portfolio of assets, and
- the corresponding risk-free rate,

after deducting the fundamental spread, which reflects expected losses from defaults and downgrades.

The VA is determined and periodically updated by EIOPA, and its level may differ across major currencies and countries, in line with the characteristics of the underlying representative portfolios and prevailing market conditions.

KBC Group Re incorporates the VA consistently across all relevant lines of business when discounting future cash flows in the calculation of the Best Estimate.

Table 15 shows the VA impact and demonstrates that the Company's solvency position is not materially dependent on the VA, as the removal of the adjustment would have only a modest adverse effect on both Own Funds and capital requirements..

| 31/12/2025 (X 1.000 EUR) | Amount with Volatility adjustment | Impact of volatility adjustment set to zero |
|--|---|--|
| Technical provisions | 107,291 | 901 |
| Basic own funds | 354,369 | -295 |
| Eligible own funds to meet Solvency Capital Requirement | 354,369 | -295 |
| Solvency Capital Requirement | 93,959 | 26 |
| Eligible own funds to meet Minimum Capital Requirement | 354,369 | -295 |
| Minimum Capital Requirement | 23,490 | 7 |

Table 15 Impact of the volatility adjustment (31/12/2025)

Level of uncertainty

In accordance with Solvency II requirements, the level of uncertainty associated with the Technical Provisions is assessed on a regular basis. Within the KBC Group, this assessment is performed through the Measurement Risk Assessment process.

Given its role as the internal reinsurer of the KBC Group, the gross results of KBC Group Re exhibit significant volatility, and individual large claims have a dominant influence on the Technical Provisions. The Measurement Risk Assessment therefore indicates that the degree of uncertainty surrounding the final amount of Technical Provisions is high.

The calculation of the Best Estimate relies to a considerable extent on expert judgement, particularly for the valuation of large claims where data points are limited and individual claim characteristics vary significantly. As a result, a material level of uncertainty is inherent and cannot be fully eliminated.

Despite this, KBC Group Re maintains a robust capital management framework and a prudent reinsurance strategy, which effectively mitigate the financial impact of this uncertainty on the Company's solvency position.

D.2.2 TECHNICAL PROVISIONS – LUXGAAP VALUATION

Under Lux GAAP, a distinction is made between the following categories of technical provisions:

- Provision for Unearned Premiums, representing the portion of written premiums that relates to the period after the balance sheet date;
- Provision for Claims Outstanding, covering all claims that have occurred prior to the balance sheet date, whether reported or not, and including claims handling expenses;
- Equalization Provision, established to smooth the impact of fluctuations in loss experience over time, where required.

In accordance with Lux GAAP accounting principles, these provisions are not discounted; they are recognised at nominal value without application of any risk-free rate or discount factor.

Provision for unearned premiums

The Provision for Unearned Premiums represents the portion of written premiums that relates to coverage periods extending beyond the balance sheet date. The provision is calculated separately for each contract, in accordance with Lux GAAP requirements, to ensure an appropriate allocation of premiums to the financial years in which the corresponding insurance or reinsurance coverage is provided.

This principle applies to both gross premiums and premiums ceded to reinsurers. As per Lux GAAP, the Provision for Unearned Premiums is recognised at nominal value and is not discounted.

Provision for claims outstanding

The Provision for Claims Outstanding is established based on the reports and individual loss estimates received from the ceding companies. Where necessary, these estimates are supplemented by any additional information available to ensure that the provision adequately reflects the expected ultimate cost of all claims related to events occurring prior to the balance sheet date.

The amount of the provision ceded to reinsurers is determined in accordance with the applicable contractual terms.

For claims incurred but not reported (IBNR) at the balance sheet date, an additional provision is recognised. The IBNR provision is calculated using actuarial techniques that take into account historical claims development patterns and the characteristics of the underlying portfolio.

A provision is also established for the internal claims handling costs associated with the settlement of claims. This component is calculated as a percentage derived from past experience, reflecting the proportion of administrative and management expenses attributable to claims processing activities.

Equalization provision

In accordance with the rules applicable to reinsurance undertakings in Luxembourg, KBC Group Re is required to establish an Equalization Provision. As set out in the Grand-Ducal Regulation governing the supervision of reinsurance companies, the annual allocation to this provision corresponds to the sum of the technical result and a defined share of the financial result, until the provision reaches a prescribed ceiling.

This ceiling is determined by applying to the net reinsurance premiums a multiplicative factor based on actuarial criteria and approved by the local supervisory authority. The applicable factor depends on the risk category (“risk bucket”) of the underlying business.

In periods where the Company records a loss, a portion of the Equalization Provision must be released to the income statement, thereby compensating for the adverse technical or financial performance.

This provision is not recognised under the Solvency II framework. In the Solvency II balance sheet, the Equalization Provision is therefore set to zero, in line with the fair-value valuation principles applicable to Technical Provisions.

D.3 Other liabilities

Other liabilities primarily consist of current tax provisions and deferred taxes.

- Current tax provisions: The amount of taxes estimated as payable up to the valuation date is recognised at nominal value. The valuation is identical under both Solvency II and Lux GAAP.
- Deferred taxes are determined as the net position of deferred tax liabilities and deferred tax assets, arising from:
 - o Carry forwards of unused tax losses (deferred tax asset)
 - o Temporary differences between the Solvency II valuation of assets and liabilities and their corresponding tax values.

Deferred taxes are not recognised under Lux GAAP, but they are required under Solvency II.

As at 31 December 2025, the Company’s deferred tax liability amounts to EUR 95 million, driven primarily by valuation differences in technical provisions, including the non-recognition of the equalization provision under Solvency II.

D.4 Alternative methods for valuation

Not applicable.

KBC Group Re does not use any alternative valuation methods for assets or liabilities under the Solvency II regime.

D.5 Any other information

There is no other material information to report with respect to valuation for solvency purposes.

E. Capital Management

The solvency position of KBC Group Re is determined in accordance with the Solvency II regime.

The regulatory minimum requirement stipulates that undertakings must maintain a solvency ratio of at least 100% of the Solvency Capital Requirement (SCR). Within the KBC Group, capital management seeks to achieve an optimal balance between regulatory expectations, views of rating agencies, market expectations, and internal strategic objectives. It is a core management process encompassing all decisions relating to the level, structure, and composition of capital, both at Group level and at the level of individual entities.

A key process in this context is the Alignment of Planning Cycles (APC). As described in Chapter B, the APC is an annual process designed to establish an integrated three-year plan that brings together strategic, financial, treasury, and risk perspectives. Through this process, the Group's risk appetite is defined and translated into entity-level risk limits. The APC does not only address planning; it also entails continuous monitoring of the execution of the plan across all relevant dimensions.

In addition to the APC, KBC Group Re conducts an Own Risk and Solvency Assessment (ORSA) on a regular basis, in line with Solvency II requirements. The ORSA serves to ensure that the business is managed in a sound and prudent manner, that the Company maintains sufficient capital in light of its specific risk profile, and that the risk management and internal control environment remain appropriate and effective. The ORSA process includes the APC process, the risk appetite setting and all ongoing business, risk and capital management activities.

E.1 Own funds

Under the Solvency II framework, (re)insurance undertakings are required to classify their own-fund items into three tiers, based on their loss-absorption capacity and subordination features. The classification distinguishes between basic own funds and ancillary own funds, and depends on the extent to which the items meet the following fundamental characteristics:

- **Permanent availability:** the item must be fully available, or callable on demand, to absorb losses both on a going-concern basis and in the event of winding-up.
- **Subordination:** in the event of winding-up, the item must be fully available to absorb losses, and repayment to the holder is deferred until all other obligations—including reinsurance obligations towards ceding companies and beneficiaries—have been satisfied.

Based on these criteria, Solvency II defines the following tiers of own funds:

Tier 1 capital consists of basic own funds that possess both permanent availability and subordination. Tier 1 capital represents the highest quality of capital under Solvency II.

Tier 2 capital consists of ancillary own funds and of basic own funds that meet the subordination characteristics but do not meet the permanent availability criterion to the same extent as Tier 1.

Tier 3 capital consists of any basic or ancillary own funds that do not qualify under Tier 1 or Tier 2. These items are considered lower-quality capital with more limited loss-absorption capacity.

Table 16 provides an overview of the capital position of KBC Group Re.

| (X 1.000 EUR) | 31/12/2024 | 31/12/2025 |
|---|----------------|----------------|
| Own funds - Tier 1 | 324,329 | 354,369 |
| LuxGaap shareholders equity | 58,158 | 49,301 |
| Dividend pay-out (-) | -11,232 | -3,089 |
| Difference in the valuation of assets | -42,740 | -55,725 |
| Difference in the valuation of technical provisions | 404,108 | 458,816 |
| <i>of which equalization provision</i> | 378,832 | 411,559 |
| Difference in the valuation of other liabilities | -83,965 | -94,933 |
| <i>of which deferred taxes</i> | -83,965 | -94,933 |

Table 16 Capital position of KBC Group Re

As at 31 December 2025, KBC Group Re reports eligible own funds amounting to 354,3 million EUR, all of which qualify as Tier 1 basic own funds. These Tier 1 own funds are derived from the excess of assets over liabilities after applying all Solvency II valuation adjustments, including the fair-value measurement of assets and liabilities, the exclusion of the equalization provision, the recognition of deferred taxes, and the revaluation of technical provisions.

The main reconciling items between Lux GAAP equity and Solvency II own funds include:

- Valuation adjustments on technical provisions, including the replacement of undiscounted Lux GAAP reserves with discounted Best Estimate liabilities plus a Risk Margin, and the elimination of the equalization provision under Solvency II.
- Recognition of deferred tax liabilities, arising primarily from temporary differences associated with the Solvency II valuation of technical provisions.
- Differences in asset valuation, where assets are measured at fair value under Solvency II but generally at historical cost or amortised cost under Lux GAAP.

These adjustments ensure that own funds reflect the economic, market-consistent view required under the Solvency II framework. The resulting amount of eligible Tier 1 own funds is fully available to cover both the SCR and MCR, with no restrictions or limits applicable given the absence of Tier 2 or Tier 3 items.

More detailed information on the composition and valuation of Own Funds is provided in Quantitative Reporting Template (QRT) S.23.01.22.

E.2 Solvency Capital Requirement & Minimum Capital Requirement

The Solvency Capital Requirement (SCR) and the Minimum Capital Requirement (MCR) for KBC Group Re are calculated using the Solvency II standard formula. The Company does not use a partial or full internal model, nor does it apply simplifications or undertaking-specific parameters in the calculation of the standard formula modules.

A detailed breakdown of the SCR by risk module is presented in Figure 2 in Chapter C, where each underlying risk is described extensively in the context of the Company's risk profile.

KBC Group Re complies with all solvency requirements. As shown in Table 17, the Company's solvency ratio amounted to 377% as at 31 December 2025, demonstrating a robust capital position relative to its risk exposure.

| (X 1.000 EUR) | 31/12/2024 | 31/12/2025 |
|------------------------------------|------------|------------|
| Own funds - Tier 1 | 324,329 | 354,369 |
| Solvency capital requirement (SCR) | 92,609 | 93,959 |
| Ratio of Eligible own funds to SCR | 350% | 377% |
| Minimum capital requirement (MCR) | 23,152 | 23,490 |
| Ratio of Eligible own funds to MCR | 1401% | 1509% |

Table 17 Solvency ratios of KBC Group Re (31/12/2025)

More detailed information can be found in the Quantitative Reporting Template (QRT) S.25.01.22.

E.3 Use of the duration-based equity risk sub-module in the calculation of SCR

Not applicable.

KBC Group Re does not use the duration-based equity risk sub-module in the calculation of its SCR.

E.4 Differences between the standard formula and any internal model used

Not applicable.

KBC Group Re applies the Solvency II standard formula without the use of a full or partial internal model.

E.5 Non-compliance with the MCR and non-compliance with the SCR

KBC Group Re has been fully compliant with both the Minimum Capital Requirement (MCR) and the Solvency Capital Requirement (SCR) throughout the reporting period. No instances of non-compliance occurred.

E.6 Any other information

There is no other material information to report with respect to capital management.

ANNEXES

S.02.01.02 – Balance sheet (x 1.000 EUR)

| | Solvency II value | |
|--|-------------------|--------|
| | C0010 | |
| Assets | | |
| Goodwill | R0010 | |
| Deferred acquisition costs | R0020 | |
| Intangible assets | R0030 | 0 |
| Deferred tax assets | R0040 | 0 |
| Pension benefit surplus | R0050 | 0 |
| Property, plant & equipment held for own use | R0060 | 99 |
| Investments (other than assets held for index-linked and unit-linked contracts) | R0070 | 487205 |
| Property (other than for own use) | R0080 | 0 |
| Holdings in related undertakings, including participations | R0090 | 0 |
| Equities | R0100 | 109965 |
| Equities - listed | R0110 | 109965 |
| Equities - unlisted | R0120 | 0 |
| Bonds | R0130 | 376891 |
| Government Bonds | R0140 | 202938 |
| Corporate Bonds | R0150 | 173952 |
| Structured notes | R0160 | 0 |
| Collateralised securities | R0170 | 0 |
| Collective Investments Undertakings | R0180 | 350 |
| Derivatives | R0190 | 0 |
| Deposits other than cash equivalents | R0200 | 0 |
| Other investments | R0210 | 0 |
| Assets held for index-linked and unit-linked contracts | R0220 | 0 |
| Loans and mortgages | R0230 | 0 |
| Loans on policies | R0240 | 0 |
| Loans and mortgages to individuals | R0250 | 0 |
| Other loans and mortgages | R0260 | 0 |
| Reinsurance recoverables from: | R0270 | 19611 |
| Non-life and health similar to non-life | R0280 | 19611 |
| Non-life excluding health | R0290 | 17385 |
| Health similar to non-life | R0300 | 2227 |
| Life and health similar to life, excluding health and index-linked and unit-linked | R0310 | 0 |
| Health similar to life | R0320 | 0 |
| Life excluding health and index-linked and unit-linked | R0330 | 0 |
| Life index-linked and unit-linked | R0340 | 0 |
| Deposits to cedants | R0350 | 45245 |
| Insurance and intermediaries receivables | R0360 | 16594 |
| Reinsurance receivables | R0370 | 5302 |
| Receivables (trade, not insurance) | R0380 | 0 |
| Own shares (held directly) | R0390 | 0 |
| Amounts due in respect of own fund items or initial fund called up but not yet paid in | R0400 | 0 |
| Cash and cash equivalents | R0410 | 37743 |
| Any other assets, not elsewhere shown | R0420 | 10461 |
| Total assets | R0500 | 622261 |

Liabilities

| |
|---|
| Technical provisions – non-life |
| Technical provisions – non-life (excluding health) |
| Technical provisions calculated as a whole |
| Best Estimate |
| Risk margin |
| Technical provisions - health (similar to non-life) |
| Technical provisions calculated as a whole |
| Best Estimate |
| Risk margin |
| Technical provisions - life (excluding index-linked and unit-linked) |
| Technical provisions - health (similar to life) |
| Technical provisions calculated as a whole |
| Best Estimate |
| Risk margin |
| Technical provisions – life (excluding health and index-linked and unit-linked) |
| Technical provisions calculated as a whole |
| Best Estimate |
| Risk margin |
| Technical provisions – index-linked and unit-linked |
| Technical provisions calculated as a whole |
| Best Estimate |
| Risk margin |
| Other technical provisions |
| Contingent liabilities |
| Provisions other than technical provisions |
| Pension benefit obligations |
| Deposits from reinsurers |
| Deferred tax liabilities |
| Derivatives |
| Debts owed to credit institutions |
| Financial liabilities other than debts owed to credit institutions |
| Insurance & intermediaries payables |
| Reinsurance payables |
| Payables (trade, not insurance) |
| Subordinated liabilities |
| Subordinated liabilities not in Basic Own Funds |
| Subordinated liabilities in Basic Own Funds |
| Any other liabilities, not elsewhere shown |
| Total liabilities |
| Excess of assets over liabilities |

| | Solvency II value |
|--------------|-------------------|
| | C0010 |
| R0510 | 107291 |
| R0520 | 99282 |
| R0530 | 0 |
| R0540 | 50869 |
| R0550 | 48413 |
| R0560 | 8009 |
| R0570 | 0 |
| R0580 | 3250 |
| R0590 | 4759 |
| R0600 | 0 |
| R0610 | 0 |
| R0620 | 0 |
| R0630 | 0 |
| R0640 | 0 |
| R0650 | 0 |
| R0660 | 0 |
| R0670 | 0 |
| R0680 | 0 |
| R0690 | 0 |
| R0700 | 0 |
| R0710 | 0 |
| R0720 | 0 |
| R0730 | |
| R0740 | 0 |
| R0750 | 249 |
| R0760 | 0 |
| R0770 | 27609 |
| R0780 | 94933 |
| R0790 | 0 |
| R0800 | 0 |
| R0810 | 0 |
| R0820 | 4584 |
| R0830 | 28799 |
| R0840 | 185 |
| R0850 | 0 |
| R0860 | 0 |
| R0870 | 0 |
| R0880 | 1152 |
| R0900 | 264803 |
| R1000 | 357458 |

S.05.01.02 – Premiums, claims and expenses by line of business (non-life insurance and reinsurance obligations) (x 1.000 EUR)

| | | Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance) | | | | | | | | | | | Line of Business for: accepted non-proportional reinsurance | | | | Total | |
|---|-------|--|-----------------------------|---------------------------------|-----------------------------------|-----------------------|--|---|-----------------------------|---------------------------------|--------------------------|------------|---|--------|----------|-----------------------------|-------|----------|
| | | Medical expense insurance | Income protection insurance | Workers' compensation insurance | Motor vehicle liability insurance | Other motor insurance | Marine, aviation and transport insurance | Fire and other damage to property insurance | General liability insurance | Credit and suretyship insurance | Legal expenses insurance | Assistance | Miscellaneous financial loss | Health | Casualty | Marine, aviation, transport | | Property |
| | | C0010 | C0020 | C0030 | C0040 | C0050 | C0060 | C0070 | C0080 | C0090 | C0100 | C0110 | C0120 | C0130 | C0140 | C0150 | | C0160 |
| Premiums written | | | | | | | | | | | | | | | | | | |
| Gross - Direct Business | R0110 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gross - Proportional reinsurance accepted | R0120 | 0 | 0 | 0 | 0 | 0 | 996 | 2295 | 10836 | 0 | 0 | 0 | 5418 | | | | | 19545 |
| Gross - Non-proportional reinsurance accepted | R0130 | | | | | | | | | | | | 3559 | 15123 | 62 | 64262 | 83005 | |
| Reinsurers' share | R0140 | 0 | 0 | 0 | 0 | 0 | 0 | 1471 | 3507 | 0 | 0 | 0 | 1443 | 1572 | 11103 | 0 | 48335 | 67431 |
| Net | R0200 | 0 | 0 | 0 | 0 | 0 | 996 | 825 | 7329 | 0 | 0 | 0 | 3975 | 1986 | 4021 | 62 | 15927 | 35126 |
| Premiums earned | | | | | | | | | | | | | | | | | | |
| Gross - Direct Business | R0210 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gross - Proportional reinsurance accepted | R0220 | 0 | 0 | 0 | 0 | 0 | 996 | 2295 | 10836 | 0 | 0 | 0 | 5418 | | | | | 19545 |
| Gross - Non-proportional reinsurance accepted | R0230 | | | | | | | | | | | | 3559 | 15123 | 62 | 64269 | 83012 | |
| Reinsurers' share | R0240 | 0 | 0 | 0 | 0 | 0 | 0 | 1471 | 3507 | 0 | 0 | 0 | 1443 | 1572 | 11103 | 0 | 48335 | 67431 |
| Net | R0300 | 0 | 0 | 0 | 0 | 0 | 996 | 825 | 7329 | 0 | 0 | 0 | 3975 | 1986 | 4021 | 62 | 15934 | 35126 |
| Claims incurred | | | | | | | | | | | | | | | | | | |
| Gross - Direct Business | R0310 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gross - Proportional reinsurance accepted | R0320 | 0 | 0 | 0 | 0 | 0 | 494 | -675 | 6710 | 0 | 0 | 0 | 344 | | | | | 6872 |
| Gross - Non-proportional reinsurance accepted | R0330 | | | | | | | | | | | | 1799 | 26849 | -108 | 14653 | 43192 | |
| Reinsurers' share | R0340 | 0 | 0 | 0 | 0 | 0 | 58 | 42 | 631 | 0 | 0 | 0 | 332 | 775 | 24710 | 4 | 7585 | 34136 |
| Net | R0400 | 0 | 0 | 0 | 0 | 0 | 436 | -717 | 6079 | 0 | 0 | 0 | 12 | 1024 | 2139 | -112 | 7068 | 15928 |
| Expenses incurred | R0550 | 0 | 0 | 0 | 0 | 0 | 362 | 380 | 515 | 0 | 0 | 0 | 362 | 30 | 379 | 2 | 70 | 2100 |
| Balance - other technical expenses/income | R1210 | | | | | | | | | | | | | | | | | 0 |
| Total technical expenses | R1300 | | | | | | | | | | | | | | | | | 2100 |

S.17.01.02 Non-Life Technical Provisions (x1.000 EUR)

| | Direct business and accepted proportional reinsurance | | | | | | | | | | Accepted non-proportional reinsurance | | | | Total Non-Life obligation | | |
|-------|---|-----------------------------------|---------------------------------------|---|-----------------------------|--|--|-----------------------------------|---------------------------------------|--------------------------------|---------------------------------------|------------------------------------|--|--|---------------------------|--|--|
| | Medical expense insurance C0020 | Income protection insurance C0030 | Workers' compensation insurance C0040 | Motor vehicle liability insurance C0050 | Other motor insurance C0060 | Marine, aviation and transport insurance C0070 | Fire and other property damage insurance C0080 | General liability insurance C0090 | Credit and suretyship insurance C0100 | Legal expenses insurance C0110 | Assistance C0120 | Miscellaneous financial loss C0130 | Non-proportional reinsurance at health C0140 | Non-proportional reinsurance at casualty C0150 | | Non-proportional reinsurance at marine, aviation C0160 | Non-proportional reinsurance at property C0170 |
| R0010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| R0050 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| R0060 | 0 | 0 | 0 | 0 | 0 | -235 | -666 | -5919 | 0 | 0 | 0 | -2961 | -1833 | -8301 | -20 | -1746 | -37624 |
| R0140 | 0 | 0 | 0 | 0 | 0 | 0 | -164 | -178 | 0 | 0 | 0 | -834 | -907 | -6985 | 0 | -13833 | -24202 |
| R0150 | 0 | 0 | 0 | 0 | 0 | -235 | -502 | -441 | 0 | 0 | 0 | -2127 | -945 | -1316 | -20 | -3907 | -13492 |
| R0160 | 0 | 0 | 0 | 0 | 0 | 969 | 582 | 5219 | 0 | 0 | 0 | 7516 | 5103 | 32204 | 200 | 40021 | 91813 |
| R0240 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 229 | 0 | 0 | 0 | 133 | 3134 | 17007 | 0 | 23207 | 43813 |
| R0250 | 0 | 0 | 0 | 0 | 0 | 60 | 57 | 151 | 0 | 0 | 0 | 151 | 151 | 151 | 0 | 151 | 151 |
| R0260 | 0 | 0 | 0 | 0 | 0 | 734 | 245 | 2700 | 0 | 0 | 0 | 4554 | 3250 | 23044 | 180 | 22381 | 51119 |
| R0270 | 0 | 0 | 0 | 0 | 0 | 734 | 76 | 549 | 0 | 0 | 0 | 5256 | 1023 | 13782 | 180 | 12307 | 34508 |
| R0280 | 0 | 0 | 0 | 0 | 0 | 1913 | 1362 | 5198 | 0 | 0 | 0 | 2676 | 4759 | 4908 | 109 | 20247 | 53172 |
| R0290 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| R0300 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| R0310 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| R0320 | 0 | 0 | 0 | 0 | 0 | 2648 | 13278 | 4498 | 0 | 0 | 0 | 7230 | 3009 | 28012 | 280 | 42328 | 107291 |
| R0330 | 0 | 0 | 0 | 0 | 0 | 0 | -161 | -1249 | 0 | 0 | 0 | -701 | 2227 | 10122 | 0 | 9374 | 19611 |
| R0340 | 0 | 0 | 0 | 0 | 0 | 2648 | 13439 | 5747 | 0 | 0 | 0 | 7921 | 5782 | 18690 | 289 | 33154 | 87680 |

Technical provisions calculated as a whole
 Total recoverables from reinsurancesSPV and Finite Re after the adjustment for expected losses due to counterparty default - associated to TP calculated as a whole
 Technical provisions calculated as a sum of BE and RM
 Best estimate
 Gross provisions
 Total recoverable from reinsurancesSPV and Finite Re after the adjustment for expected losses due to counterparty default
 Net Best Estimate of Premium Provisions
 Claims provisions
 Gross
 Total recoverable from reinsurancesSPV and Finite Re after the adjustment for expected losses due to counterparty default
 Net Best Estimate of Claims Provisions
 Total Best Estimate of Claims Provisions
 Total Best estimate - net
 Risk margin
 Amount of the transitional on Technical Provisions
 Technical Provisions calculated as a whole
 Best estimate
 Risk margin
 Technical provisions - total
 Recoverable from reinsurancesSPV and Finite Re after the adjustment for expected losses due to counterparty default - total
 Recoverable from reinsurancesSPV and Finite Re - total
 Technical provisions minus recoverables from reinsurancesSPV and Finite Re - total

S.19.01.22 Non-Life Insurance Claims Information (x1.000 EUR)

| Total Non-Life Business | | | | | | | | | | | | | | | |
|--|-------|--------|--------|--------|--------|--------|-------|--------|-------|-------|--------|----------------------------|-------|---------------------------|---------|
| Accident year / Underwriting year | | Z0020 | | 2 | | | | | | | | | | | |
| Gross Claims Paid (non-cumulative) | | | | | | | | | | | | | | | |
| (absolute amount) | | | | | | | | | | | | | | | |
| Development year | | | | | | | | | | | | In Current year | | Sum of years (cumulative) | |
| Year | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 & + | | | | |
| | C0010 | C0020 | C0030 | C0040 | C0050 | C0060 | C0070 | C0080 | C0090 | C0100 | C0110 | | C0170 | C0180 | |
| Prior | R0100 | | | | | | | | | | 32 | | R0100 | 32 | |
| N-9 | R0160 | 61 | 1,351 | 1,855 | 10,180 | 1,210 | 8,463 | 33 | 326 | 113 | 151 | | R0160 | 151 | 23,744 |
| N-8 | R0170 | 147 | 368 | 850 | 67 | 244 | 3 | 4 | 73 | 0 | | | R0170 | 0 | 1,757 |
| N-7 | R0180 | 83 | 4,357 | 528 | 64 | 95 | 139 | -1,836 | 7 | | | | R0180 | 7 | 3,436 |
| N-6 | R0190 | 176 | 6,486 | 2,005 | 58 | -89 | 165 | 1,041 | | | | | R0190 | 1,041 | 9,843 |
| N-5 | R0200 | 3,091 | 1,738 | 3,498 | 608 | 1,962 | 171 | | | | | | R0200 | 171 | 11,067 |
| N-4 | R0210 | 10,063 | 27,709 | 5,274 | 3,340 | 765 | | | | | | | R0210 | 765 | 47,150 |
| N-3 | R0220 | 45,416 | 7,630 | 4,483 | 785 | | | | | | | | R0220 | 785 | 58,313 |
| N-2 | R0230 | 2,578 | 2,255 | 215 | | | | | | | | | R0230 | 215 | 5,048 |
| N-1 | R0240 | 48,528 | 28,293 | | | | | | | | | | R0240 | 28,293 | 76,822 |
| N | R0250 | 854 | | | | | | | | | | | R0250 | 854 | 854 |
| | | | | | | | | | | | | Total | R0260 | 32,314 | 238,067 |
| Gross undiscounted Best Estimate Claims Provisions | | | | | | | | | | | | | | | |
| (absolute amount) | | | | | | | | | | | | | | | |
| Development year | | | | | | | | | | | | Year end (discounted data) | | | |
| Year | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 & + | | | | |
| | C0200 | C0210 | C0220 | C0230 | C0240 | C0250 | C0260 | C0270 | C0280 | C0290 | C0300 | | C0360 | | |
| Prior | R0100 | | | | | | | | | | | 8,222 | R0100 | 5,931 | |
| N-9 | R0160 | 26,746 | 26,712 | 23,896 | 13,745 | 12,317 | 3,367 | 3,331 | 1,918 | 1,510 | 1,363 | | R0160 | 988 | |
| N-8 | R0170 | 5,577 | 3,004 | 1,569 | 1,502 | 1,033 | 979 | 718 | 615 | 502 | | | R0170 | 381 | |
| N-7 | R0180 | 10,767 | 3,957 | 6,109 | 4,762 | 4,958 | 3,648 | 3,705 | 4,601 | | | | R0180 | 3,502 | |
| N-6 | R0190 | 18,382 | 10,463 | 6,054 | 2,323 | 2,341 | 2,343 | 3,055 | | | | | R0190 | 1,991 | |
| N-5 | R0200 | 14,723 | 8,217 | 3,319 | 5,774 | 3,902 | 1,551 | | | | | | R0200 | 1,242 | |
| N-4 | R0210 | 41,612 | 18,924 | 13,065 | 16,701 | 16,314 | | | | | | | R0210 | 10,320 | |
| N-3 | R0220 | 34,940 | 24,518 | 17,133 | 21,205 | | | | | | | | R0220 | 17,109 | |
| N-2 | R0230 | 8,024 | 5,009 | 11,803 | | | | | | | | | R0230 | 6,605 | |
| N-1 | R0240 | 49,328 | 25,449 | | | | | | | | | | R0240 | 22,846 | |
| N | R0250 | 22,339 | | | | | | | | | | | R0250 | 20,004 | |
| | | | | | | | | | | | | Total | R0260 | 90,918 | |

S.22.01.21 – Impact of long term guarantees and transitional measures (X1.000 EUR)

| | | Amount with Long Term Guarantee measures and transitionals | Impact of transitional on technical provisions | Impact of transitional on interest rate | Impact of volatility adjustment set to zero | Impact of matching adjustment set to zero |
|--|-------|---|---|---|--|--|
| | | C0010 | C0030 | C0050 | C0070 | C0090 |
| Technical provisions | R0010 | 107291 | | | 901 | |
| Basic own funds | R0020 | 354369 | | | -295 | |
| Eligible own funds to meet Solvency Capital Requirement | R0050 | 354369 | | | -295 | |
| Solvency Capital Requirement | R0090 | 93959 | | | 26 | |
| Eligible own funds to meet Minimum Capital Requirement | R0100 | 354369 | | | -295 | |
| Minimum Capital Requirement | R0110 | 23490 | | | 7 | |

S.23.01.22 – Own funds (X1.000 EUR)

| | Total | Tier 1 - unrestricted | Tier 1 - restricted | Tier 2 | Tier 3 | |
|--|-------|-----------------------|---------------------|--------|--------|-------|
| | C0010 | C0020 | C0030 | C0040 | C0050 | |
| Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35 | | | | | | |
| Ordinary share capital (gross of own shares) | R0010 | 41693 | 41693 | 0 | 0 | R0010 |
| Share premium account related to ordinary share capital | R0030 | 0 | 0 | 0 | 0 | R0030 |
| Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings | R0040 | 0 | 0 | 0 | 0 | R0040 |
| Subordinated mutual member accounts | R0050 | 0 | 0 | 0 | 0 | R0050 |
| Surplus funds | R0070 | 0 | 0 | 0 | 0 | R0070 |
| Preference shares | R0090 | 0 | 0 | 0 | 0 | R0090 |
| Share premium account related to preference shares | R0110 | 0 | 0 | 0 | 0 | R0110 |
| Reconciliation reserve | R0130 | 312676 | 312676 | 0 | 0 | R0130 |
| Subordinated liabilities | R0140 | 0 | 0 | 0 | 0 | R0140 |
| An amount equal to the value of net deferred tax assets | R0160 | 0 | 0 | 0 | 0 | R0160 |
| Other own fund items approved by the supervisory authority as basic own funds not specified above | R0180 | 0 | 0 | 0 | 0 | R0180 |
| Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds | | | | | | |
| Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds | R0220 | 0 | 0 | 0 | 0 | R0220 |
| Deductions | | | | | | |
| Deductions for participations in financial and credit institutions | R0230 | 0 | 0 | 0 | 0 | R0230 |
| Total basic own funds after deductions | R0290 | 354369 | 354369 | 0 | 0 | R0290 |
| Ancillary own funds | | | | | | |
| Unpaid and uncalled ordinary share capital callable on demand | R0300 | 0 | 0 | 0 | 0 | R0300 |
| Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand | R0310 | 0 | 0 | 0 | 0 | R0310 |
| Unpaid and uncalled preference shares callable on demand | R0320 | 0 | 0 | 0 | 0 | R0320 |
| A legally binding commitment to subscribe and pay for subordinated liabilities on demand | R0330 | 0 | 0 | 0 | 0 | R0330 |
| Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC | R0340 | 0 | 0 | 0 | 0 | R0340 |
| Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC | R0350 | 0 | 0 | 0 | 0 | R0350 |
| Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC | R0360 | 0 | 0 | 0 | 0 | R0360 |
| Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC | R0370 | 0 | 0 | 0 | 0 | R0370 |
| Other ancillary own funds | R0390 | 0 | 0 | 0 | 0 | R0390 |
| Total ancillary own funds | R0400 | 0 | 0 | 0 | 0 | R0400 |
| Available and eligible own funds | | | | | | |
| Total available own funds to meet the SCR | R0500 | 354369 | 354369 | 0 | 0 | R0500 |
| Total available own funds to meet the MCR | R0510 | 354369 | 354369 | 0 | 0 | R0510 |
| Total eligible own funds to meet the SCR | R0540 | 354369 | 354369 | 0 | 0 | R0540 |
| Total eligible own funds to meet the MCR | R0550 | 354369 | 354369 | 0 | 0 | R0550 |
| SCR | R0580 | 93959 | 0 | 0 | 0 | R0580 |
| MCR | R0600 | 23490 | 0 | 0 | 0 | R0600 |
| Ratio of Eligible own funds to SCR | R0620 | 377% | 0 | 0 | 0 | R0620 |
| Ratio of Eligible own funds to MCR | R0640 | 1509% | 0 | 0 | 0 | R0640 |
| Reconciliation reserve | | | | | | |
| Excess of assets over liabilities | R0700 | 357458 | 0 | 0 | 0 | R0700 |
| Own shares (held directly and indirectly) | R0710 | 0 | 0 | 0 | 0 | R0710 |
| Foreseeable dividends, distributions and charges | R0720 | 3089 | 0 | 0 | 0 | R0720 |
| Other basic own fund items | R0730 | 41693 | 0 | 0 | 0 | R0730 |
| Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds | R0740 | 0 | 0 | 0 | 0 | R0740 |
| Reconciliation reserve | R0760 | 312676 | 0 | 0 | 0 | R0760 |
| Expected profits | | | | | | |
| Expected profits included in future premiums (EPIFP) - Life business | R0770 | 0 | 0 | 0 | 0 | R0770 |
| Expected profits included in future premiums (EPIFP) - Non- life business | R0780 | 0 | 0 | 0 | 0 | R0780 |
| Total Expected profits included in future premiums (EPIFP) | R0790 | 0 | 0 | 0 | 0 | R0790 |

| | Total | Tier 1 - unrestricted | Tier 1 - restricted | Tier 2 | Tier 3 | |
|--|-------|-----------------------|---------------------|--------|--------|-------|
| | C0060 | C0020 | C0030 | C0040 | C0050 | |
| | R0400 | 0 | 0 | 0 | 0 | R0400 |
| | R0500 | 354369 | 354369 | 0 | 0 | R0500 |
| | R0510 | 354369 | 354369 | 0 | 0 | R0510 |
| | R0540 | 354369 | 354369 | 0 | 0 | R0540 |
| | R0550 | 354369 | 354369 | 0 | 0 | R0550 |
| | R0580 | 93959 | 0 | 0 | 0 | R0580 |
| | R0600 | 23490 | 0 | 0 | 0 | R0600 |
| | R0620 | 377% | 0 | 0 | 0 | R0620 |
| | R0640 | 1509% | 0 | 0 | 0 | R0640 |
| | R0700 | 357458 | 0 | 0 | 0 | R0700 |
| | R0710 | 0 | 0 | 0 | 0 | R0710 |
| | R0720 | 3089 | 0 | 0 | 0 | R0720 |
| | R0730 | 41693 | 0 | 0 | 0 | R0730 |
| | R0740 | 0 | 0 | 0 | 0 | R0740 |
| | R0760 | 312676 | 0 | 0 | 0 | R0760 |
| | R0770 | 0 | 0 | 0 | 0 | R0770 |
| | R0780 | 0 | 0 | 0 | 0 | R0780 |
| | R0790 | 0 | 0 | 0 | 0 | R0790 |

S.25.01.22 – Solvency capital requirement (for groups on Standard Formula) (X1.000 EUR)

| | | Gross solvency capital requirement | USP | Simplifications |
|---|--------------|------------------------------------|---------------|-----------------|
| | | C0110 | C0090 | C0120 |
| Market risk | R0010 | 68,408 | | |
| Counterparty default risk | R0020 | 13,909 | | |
| Life underwriting risk | R0030 | 0 | | |
| Health underwriting risk | R0040 | 11,082 | | |
| Non-life underwriting risk | R0050 | 69,656 | | |
| Diversification | R0060 | -44,181 | | |
| Intangible asset risk | R0070 | 0 | | |
| Basic Solvency Capital Requirement | R0100 | 118,875 | | |
| Calculation of Solvency Capital Requirement | | C0100 | | |
| Operational risk | R0130 | 3,077 | | |
| Loss-absorbing capacity of technical provisions | R0140 | 0 | | |
| Loss-absorbing capacity of deferred taxes | R0150 | -27,993 | | |
| Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC | R0160 | 0 | | |
| Solvency capital requirement excluding capital add-on | R0200 | 93,959 | | |
| Capital add-on already set | R0210 | 0 | | |
| of which, capital add-ons already set - Article 37 (1) Type a | R0211 | | | |
| of which, capital add-ons already set - Article 37 (1) Type b | R0212 | | | |
| of which, capital add-ons already set - Article 37 (1) Type c | R0213 | | | |
| of which, capital add-ons already set - Article 37 (1) Type d | R0214 | | | |
| Solvency capital requirement | R0220 | 93,959 | | |
| Other information on SCR | | | | |
| Capital requirement for duration-based equity risk sub-module | R0400 | 0 | | |
| Total amount of Notional Solvency Capital Requirements for remaining part | R0410 | 0 | | |
| Total amount of Notional Solvency Capital Requirements for ring fenced funds | R0420 | 0 | | |
| Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios | R0430 | 0 | | |
| Diversification effects due to RFF nSCR aggregation for article 304 | R0440 | 0 | | |
| Approach to tax rate | | | Yes/No | |
| | | | C0109 | |
| Approach based on average tax rate | R0590 | | 2 | |
| Calculation of loss absorbing capacity of deferred taxes | | | LAC DT | |
| | | | C0130 | |
| LAC DT | R0640 | -27,993 | | |
| LAC DT justified by reversion of deferred tax liabilities | R0650 | -27,993 | | |
| LAC DT justified by reference to probable future taxable profit | R0660 | 0 | | |
| LAC DT justified by carry back, current year | R0670 | 0 | | |
| LAC DT justified by carry back, future years | R0680 | 0 | | |
| Maximum LAC DT | R0690 | 94,933 | | |

S.28.01.01 Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity (X1.000 EUR)

| Linear formula component for non-life insurance and reinsurance obligations | | | | |
|--|--------------|--------------|--|---|
| | | C0010 | | |
| MCRNL Result | R0010 | 11448 | | |
| | | | Net (of reinsurance/SPV) best estimate and TP calculated as a whole | Net (of reinsurance) written premiums in the last 12 months |
| | | | C0020 | C0030 |
| Medical expense insurance and proportional reinsurance | R0020 | 0 | 0 | 0 |
| Income protection insurance and proportional reinsurance | R0030 | 0 | 0 | 0 |
| Workers' compensation insurance and proportional reinsurance | R0040 | 0 | 0 | 0 |
| Motor vehicle liability insurance and proportional reinsurance | R0050 | 0 | 0 | 0 |
| Other motor insurance and proportional reinsurance | R0060 | 0 | 0 | 0 |
| Marine, aviation and transport insurance and proportional reinsurance | R0070 | 734 | 996 | |
| Fire and other damage to property insurance and proportional reinsurance | R0080 | 76 | 825 | |
| General liability insurance and proportional reinsurance | R0090 | 549 | 7329 | |
| Credit and suretyship insurance and proportional reinsurance | R0100 | 0 | 0 | |
| Legal expenses insurance and proportional reinsurance | R0110 | 0 | 0 | |
| Assistance and proportional reinsurance | R0120 | 0 | 0 | |
| Miscellaneous financial loss insurance and proportional reinsurance | R0130 | 5256 | 3975 | |
| Non-proportional health reinsurance | R0140 | 1023 | 1986 | |
| Non-proportional casualty reinsurance | R0150 | 13782 | 4021 | |
| Non-proportional marine, aviation and transport reinsurance | R0160 | 180 | 62 | |
| Non-proportional property reinsurance | R0170 | 12907 | 15927 | |
| Linear formula component for life insurance and reinsurance obligations | | | | |
| | | C0040 | | |
| MCRL Result | R0200 | 0 | | |
| | | | Net (of reinsurance/SPV) best estimate and TP calculated as a whole | Net (of reinsurance/SPV) total capital at risk |
| | | | C0050 | C0060 |
| Obligations with profit participation - guaranteed benefits | R0210 | 0 | | |
| Obligations with profit participation - future discretionary benefits | R0220 | 0 | | |
| Index-linked and unit-linked insurance obligations | R0230 | 0 | | |
| Other life (re)insurance and health (re)insurance obligations | R0240 | 0 | | |
| Total capital at risk for all life (re)insurance obligations | R0250 | | | 0 |
| Overall MCR calculation | | | | |
| | | C0070 | | |
| Linear MCR | R0300 | 11448 | | |
| SCR | R0310 | 93959 | | |
| MCR cap | R0320 | 42281 | | |
| MCR floor | R0330 | 23490 | | |
| Combined MCR | R0340 | 23490 | | |
| Absolute floor of the MCR | R0350 | 3900 | | |
| | | C0070 | | |
| Minimum Capital Requirement | R0400 | 23490 | | |