



# Annual report

KBC Group Re

# 2025



# Table of contents

Company profile .....	4
Message from the Chairwoman .....	5
Report of the Board of Directors to the Shareholders .....	6
Report of the réviseur d'entreprises agréé .....	8
Balance sheet .....	12
Profit and loss account .....	14
Notes on the annual accounts .....	16

# Company Profile

Incorporated on 20 March 1989  
Share capital: 41.692.987,12 EUR  
Address: 4 rue du Fort Wallis - L-2714 Luxembourg  
Tel: 00 352 29 99 92 1  
E-mail: [contact@kbcgroupe.lu](mailto:contact@kbcgroupe.lu)

## Shareholder

Wholly owned by KBC Insurance NV\*

## IFS rating

KBC Group Re S.A. has an “A” (positive outlook) rating  
Standard & Poor’s (03/12/2025)

## Board of Directors

Chair: Nele Vandaele (from 19 September 2025)  
Jan Van Hove (until 01 September 2025)

Members: Marieke Geeraert (from 19 September 2025)  
Isabel Boogers (until 20 May 2025)  
Nik Vincke (from 02 September 2025)  
Marc Euben (until 28 April 2025)  
Nele Vandaele (until 19 September 2025)  
Ivo Bauwens

## Day-to-day management:

Ivo Bauwens

## External auditors

KPMG Audit S.à.r.l.  
39, Avenue John F. Kennedy  
L-1855 Luxembourg

\* Wholly owned subsidiary of KBC Group NV

# Message from the Chairwoman

I am pleased to write this first foreword as Chairwoman of KBC Group Re, taking over from the former Chairman. Over the past year, our organization has continued to demonstrate resilience and discipline in an evolving insurance landscape. The year was also marked by a transition in the composition of our Board of Directors: alongside the change in Chairmanship, two directors completed their mandates and were replaced by two highly respected professionals from within the Group. These carefully managed appointments, grounded in continuity and professional excellence, further strengthen our collective expertise and do not alter the solidity of the governance supporting our long-term strategy.

2025 was a particularly favourable financial year for our company. The absence of any major claims contributed positively to our technical result, while investment performance was also strong. Against this backdrop, the 2026 reinsurance renewal took place in a market that softened more markedly than anticipated, especially in the property segment. This led to favourable retrocession pricing, which in turn was reflected in improved local reinsurance conditions for the Group's direct insurers, supporting their business development. The casualty segment also showed improving conditions, notably for Central and Eastern European exposures.

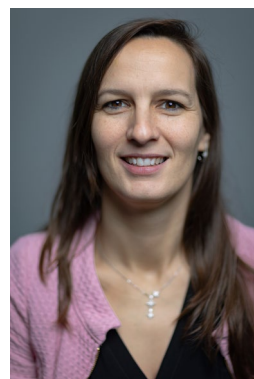
In operational risks, our facultative acceptances followed the broader downward pricing trend observed in the market.

While compliance with regulatory and supervisory requirements remains demanding for a small entity within a listed financial group, it does not curb our ambition. On the contrary, we remain committed to further developing not only our internal reinsurance activities, but also the services we provide to other Group entities based in Luxembourg.

The broader environment in which we operate continues to be shaped by heightened uncertainty. Economic prospects in the European Union are currently being tested by the renewed escalation of conflict in the Middle East. Rising oil and gas prices tend to spill over rapidly into the wider economy, affecting Europe's supply chains with some delay. At the same time, persistent inflationary pressures may force the European Central Bank to maintain or tighten monetary policy, increasing borrowing costs and weighing on confidence. These challenges come on top of still insufficient efforts to slow climate change, the concrete and undeniable effects of which are becoming ever more visible. This reality calls for all of us to step up our efforts with renewed determination.

Technological change will remain another defining factor. Artificial intelligence and other emerging technologies are transforming the way we work and compete, requiring a clear "data first" approach and an AI ready mindset. At the same time, these advances heighten exposure to increasingly sophisticated cyberattacks and the risk of confidential data breaches, demanding sustained vigilance and investment.

In closing, I would like to express my sincere gratitude to all colleagues at Group Re. Your daily commitment, professionalism, and creativity in addressing complex challenges are the foundation of our success, and I thank you for your continued dedication.



Nele Vandaele, *Chairwoman*

# Report of the Board of Directors to the Shareholders

## REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS

For the period starting from 1 January 2025 to 31 December 2025

Ladies, Gentlemen,

1. We are pleased to report on the activities of our Company during the past financial year. In accordance with the law and our articles of association, we hereby submit the annual accounts for the year ended 31 December 2025 for your approval.

Our Company recorded a profit after tax of EUR 2,48 million.

Total assets amounted to EUR 677,99 million in 2025, compared with EUR 622,64 million in 2024.

2. **Non-life technical account**

Gross written premiums amounted to EUR 102,55 million compared to EUR 110,49 million recorded in 2024. Earned premiums net of retrocession reached EUR 35,13 million, up from EUR 31,13 million in 2024.

The 2025 premium volume decreased globally on both the inward and, more markedly, the outward side. The decline is closely related to the substantial reinstatement premiums recorded in 2024 following the Boris loss. Next to that the 2025 property renewal season was characterized by a modest softening of the property reinsurance market at the top layers.

The net combined ratio stood at 51,3% as of 31 December 2025, compared to 132,6% at year-end 2024. The elevated ratio in 2024 was driven by unusually high claims activity in the Property segment, including the September 2024 floods associated with the depression "Boris." In contrast, claims experience in 2025 was markedly more favorable, contributing to the significantly improved technical result.

3. **Non-technical account**

Financially, the year ended with a positive net financial result of EUR 17,87 million compared to EUR 24,22 million in 2024.

4. At year-end 2025 the Company had a rating of "A" (positive outlook) from Standard & Poor's. Our strategy, with support from KBC Group, aims at an "A"- rating.

5. **Risks and uncertainties facing the Company**

The Company is primarily exposed to underwriting, market, counterparty and operational risks as well as climate-related and other ESG risks. We have established an adequate governance structure considering the Company size and the complexity of its business to identify, measure and report these risks.

The underwriting risks comprise pricing, reserve and disaster risks. The risks are limited by the implementation and control of exposure limits, underwriting guidelines and through use of an adapted retrocession programme. The technical reserves are valued based on information provided by the ceding companies, reworked by the claims management and supplemented by actuarial methods to value the IBN(E)R claims.

Market risks include primarily interest rate and equity risks. They are limited by an ALM policy in line with the Company's reinsurance activities.

Counterparty risks include credit risks in the Company's bond portfolio and credit risks on retrocession. A sound investment policy, defining the limits by issuer and rating types, and concentration limits, has been put in place to reduce risk in the investment portfolio. A retrocession policy deciding retrocession limits according to counterparties' own funds and rating is also pursued.

Operational risks are managed in line with KBC Group requirements, and a 'Business Continuity plan' is in place.

Climate-related and other ESG risks are gradually integrated in existing management frameworks and in risk management processes. The Investment Policy in particular has been reviewed to contribute to the ambition level

# Report of the Board of Directors to the Shareholders

of the KBC Group towards sustainable finance. Initiatives are otherwise ongoing to estimate the short and long-term risks based on scenario and sensitivity analysis.

6. No events or other decisions which could influence the continuation of the Company's business have occurred since the closure of financial year 2025.
7. The conflict unfolding in the Middle East in early 2026 may give rise to geopolitical, economic, business and financial market impacts that remain difficult to assess at this stage. While the Company has only limited exposure to the region, potential indirect effects will be closely monitored throughout the year.
8. The Company's strategy as systematic internal reinsurer for KBC Group and as an exclusive potential partner for any of the Group's business initiative with an external insurer or reinsurer is pursued and is subject to continuous improvement.

We expect the reinsurance market for natural perils to remain volatile. This particularly impacts the Company as it is its role to absorb a large part of such volatility by keeping significant amounts in retention.

9. Activities in research and development, as provided for by law, were not entered into by the Company.
10. The Company has no branch office.
11. In accordance with its investment policy, the Company did not use derivative products.
12. The Company did not purchase and does not detain any of its own shares.
13. The Company is included in the consolidated accounts drawn up by the KBC Group.
14. The Board of Directors proposes:
  - the statutory annual accounts, as presented here, to be approved,
  - the result to be allocated as follows:

Result for the financial year	2.481.369
KBC Group Re - release of the unavailable reserve NWT 2021	607.523
Dividend to pay	3.088.892

- to grant discharge to the directors for the exercise of their mandate during the period between 1 January 2025 and 31 December 2025.
- to appoint the external auditor: complying with the proposal by KBC Group to renew the appointment of a single auditor for most members of the Group, it is proposed that the mandate of KPMG be renewed as statutory auditor for the financial year 2026.

Luxembourg, 27 March 2026.

*The Board of Directors*

Nele VANDAELE, *Chairwoman*  
Ivo BAUWENS, *Managing Director*  
Marieke GEERAERT, *Director*  
Nik VINCKE, *Director*



KPMG Audit S.à r.l.  
39, Avenue John F. Kennedy  
L-1855 Luxembourg

Tel: +352 22 51 51 1  
Fax: +352 22 51 71  
E-mail: [info@kpmg.lu](mailto:info@kpmg.lu)  
Internet: [www.kpmg.lu](http://www.kpmg.lu)

To the Sole Shareholder of  
KBC Group Re S.A.  
4, Rue du Fort Wallis

2714 Luxembourg  
Luxembourg

## ***REPORT OF THE REVISEUR D'ENTREPRISES AGREE***

### ***Report on the audit of the annual accounts***

#### ***Opinion***

We have audited the annual accounts of KBC Group Re S.A. (the "Company"), which comprise the balance sheet as at 31 December 2025, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2025, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

#### ***Basis for opinion***

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier (the "CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the annual accounts » section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of the audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



### **Valuation of the provision for claims incurred but not reported (IBNR)**

*a. Why the matter was considered to be one of the most significant in our audit of the annual accounts of the current period.*

As at 31 December 2025, the provision for claims incurred but not reported (“IBNR”) amounts to EUR 15,008,540 and is included in the claims outstanding. The valuation of the provision for incurred but not reported claims (“IBNR”) is based on actuarial methods, the implementation of which involves the use of assumptions. Those are determined by the Company’s management, with the support of actuaries and may have a significant impact on the annual accounts of the Company as they include high estimation uncertainty. The determination and application of the methodology used, includes complex actuarial methods and management’s assumptions which are subject to judgement.

*b. How our audit addresses the key audit matter?*

Our procedures over the valuation of the provision for claims incurred but not reported included, but were not limited to:

- Gaining an understanding of the process related to the valuation of the provision for claims incurred but not reported. Further, testing the design and implementation of certain key controls within the process.
- Ensuring the completeness and accuracy of the input data used by the actuaries in their calculations by reconciling the totals to the accounting records.
- Involvement of our own actuaries to challenge management’s assumptions by comparing reserving methodologies used by the Company with generally accepted actuarial methods.
- Involvement of our own actuaries to perform an independent calculation of the provision for claims incurred but not reported using their experience and knowledge of the industry and using standard actuarial techniques. Performing an independent calculation involves developing a range of reserve estimates and assessing the position of the recorded reserve relative to the range.
- Evaluation of the accounting policies disclosure produced by the Company in accordance with the applicable reporting framework.

### **Other Matter**

The annual accounts of the Company as at and for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 26 March 2025.

### **Other information**

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including the Report of the Board of Directors to the Shareholders but does not include the annual accounts and our report of the “réviseur d’entreprises agréé” thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.



### ***Responsibilities of the Board of Directors and Those Charged with Governance for the annual accounts***

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### ***Responsibilities of the "réviseur d'entreprises agréé" for the audit of the annual accounts***

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

### ***Report on other legal and regulatory requirements***

We have been appointed as "réviseur d'entreprises agréé" by the General Meeting of the Sole Shareholder on 12 May 2025 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 1 year.

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

Luxembourg, 31 March 2026

KPMG Audit S.à r.l.  
Cabinet de révision agréé

A handwritten signature in black ink, appearing to read 'S. Smets', written in a cursive style.

S. Smets

# Balance sheet as at December 31, 2025 (expressed in Euro)

<b>ASSETS</b>	<b>2025</b>	<b>2024</b>
<b>Intangible assets (Note 3)</b>	19.634	26.239
<b>Investments</b>		
Other financial investments		
Shares and other variable yield transferable securities (Note 4)	92.669.949	89.666.010
Debt securities and other fixed income transferable securities (Note 5)	379.334.248	332.258.884
	472.004.197	421.924.894
Deposits with ceding undertakings (Note 6)	45.244.996	32.790.966
	517.249.193	454.715.860
<b>Reinsurer's share of technical provisions</b>		
Claims outstanding	86.395.527	72.491.473
<b>Debtors</b>		
Debtors arising out of reinsurance operations (Note 7)	21.896.687	41.230.216
Other debtors (Note 8)	10.454.754	10.278.116
	32.351.441	51.508.332
<b>Other assets</b>		
Tangible assets and stocks (Note 9)	98.858	91.108
Cash at bank and in hand	37.743.204	40.164.781
	37.842.062	40.255.889
<b>Prepayments and accrued income</b>		
Accrued interest and rent	4.128.147	3.640.257
<b>TOTAL ASSETS</b>	<b>677.986.004</b>	<b>622.638.050</b>

*The accompanying notes form an integral part of the annual accounts*

# Balance sheet as at December 31, 2025 (expressed in Euro)

<b>LIABILITIES</b>	<b>2025</b>	<b>2024</b>
<b>Capital and reserves (Note 10)</b>		
Subscribed capital or equivalent funds (Note 10)	41.692.987	41.692.987
Reserves		
Legal reserve (Note 11)	4.169.299	4.169.299
Other reserves	957.105	1.701.854
Profit or loss for the financial year	2.481.369	10.593.865
	49.300.760	58.158.005
<b>Technical provisions</b>		
Provision for unearned premiums	9.385	16.089
Claims outstanding	154.538.213	136.787.376
Equalisation provision (Note 2 I.)	411.559.046	378.831.854
	566.106.644	515.635.319
<b>Provisions for other risks and charges</b>		
Provisions for taxation (Note 17)	249.015	64.200
<b>Deposits received from reinsurers</b>	27.608.970	24.659.944
<b>Creditors</b>		
Creditors arising out of reinsurance operations (Note 12)	33.383.051	23.119.696
Other creditors, including tax and social security (Note 8)	185.481	163.135
	33.568.532	23.282.831
<b>Accruals and deferred income</b>	1.152.083	837.751
<b>TOTAL LIABILITIES</b>	<b>677.986.004</b>	<b>622.638.050</b>

*The accompanying notes form an integral part of the annual accounts*

# Profit and Loss account

For the financial year ended 31 December 2025 (expressed in Euro)

	<b>2025</b>	<b>2024</b>
<b>Technical account - Non-life insurance business</b>		
<b>Earned premiums</b>		
Gross premiums written (Note 13)	102.550.546	110.493.307
Change in the gross provision for unearned premium	6.704	25.184
Outward reinsurance premiums	(67.430.927)	(79.392.053)
	35.126.323	31.126.438
Allocated investment income transferred from the non-technical account	15.469.060	13.702.856
Other technical income, net of reinsurance	1.070.664	1.091.591
<b>Claims incurred, net of reinsurance</b>		
Claims paid		
Gross amount	(32.313.845)	(58.855.693)
Reinsurers' share	20.232.362	36.283.133
Change in the provision for claims		
Gross amount	(17.750.837)	(54.716.105)
Reinsurers' share	13.904.054	37.671.200
	(15.928.266)	(39.617.465)
<b>Net operating expenses</b>		
Acquisition costs	(1.090.721)	(1.260.769)
Administrative expenses (Note 15, 16 & 18 )	(2.676.306)	(2.438.302)
Reinsurance commissions and profit participations	1.667.504	2.054.413
	(2.099.523)	(1.644.658)
Other technical charges, net of reinsurance	(911.066)	(476.219)
Change in the equalisation provision	(32.727.192)	(4.182.543)
<b>Balance on the technical account for non-life insurance business</b>	<b>0</b>	<b>0</b>

*The accompanying notes form an integral part of the annual accounts*

# Profit and Loss account

For the financial year ended 31 December 2025 (expressed in Euro)

	<b>2025</b>	<b>2024</b>
<b>Non-technical account</b>		
Balance on the technical account for non-life insurance business	0	0
Investment income		
Income from other investments (Note 14)	12.765.147	16.777.008
Reversal of value re-adjustments on investments (Notes 2 c. to f.)	4.449.681	2.175.056
Gains on the realisation of investments	8.738.421	22.213.763
	25.953.249	41.165.827
Investment charges		
Investment management charges, including interests	(1.871.445)	(8.170.711)
Value adjustments on investments	(3.891.099)	(4.980.904)
Losses on the realisations of investments	(2.320.714)	(3.794.149)
	(8.083.258)	(16.945.764)
Allocated investment return transferred to the non-life insurance technical account	(15.469.060)	(13.702.856)
Other income	478.490	313.494
Other charges, including value adjustments	(59.152)	(65.774)
Tax on profit or loss on ordinary activities (Note 17)	0	4.143
<b>Profit or loss on ordinary activities after tax</b>	<b>2.820.269</b>	<b>10.769.070</b>
Other taxes not shown under the preceding items (Note 17)	(338.900)	(175.205)
<b>Profit or loss for the financial year</b>	<b>2.481.369</b>	<b>10.593.865</b>

*The accompanying notes form an integral part of the annual accounts*

# Notes to the annual accounts

## NOTE 1 - GENERAL

KBC Group Re S.A. (formerly Assurisk S.A., "the Company"), a reinsurance Company, was incorporated on 20 March 1989 and is registered as a "Société Anonyme" under the laws of the Grand-Duchy of Luxembourg.

The main object of the Company is to carry out reinsurance operations in all classes of risks.

On 11 December 2018, KBC Group Re S.A. (the acquiring Company) has merged with Kredietcorp S.A. (absorbed Company), a public limited liability Company, existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 4, rue du Fort Wallis, L-2714 Luxembourg, registered in the Luxembourg Trade and Companies Register under number B14.223. The merger resulted in the transfer by the absorbed Company of all its assets and liabilities to the acquiring Company at book values, in accordance with the accounting and tax rules on valuations, and pursuant to Article 170 (2) of the amended Income Tax Act of 4 December 1967, so that the absorbed Company was dissolved without liquidation after the merger had been completed.

The Company's accounting year begins on 1 January and ends on December 31 each year.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### General principles

The annual accounts are prepared in accordance with the legal requirements in force and the accounting principles generally accepted for reinsurance companies in the Grand-Duchy of Luxembourg.

Accounting policies and valuation rules are, besides the ones laid down by the law of 8 December 1994, determined and applied by the Board of Directors. The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which assumptions changed.

Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly. The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

These annual accounts have been prepared on a going concern basis.

The annual accounts of KBC Group Re S.A. are integrated in the consolidated accounts of KBC Insurance N.V., Professor Van Overstraetenplein 2, B-3000 Leuven, in Belgium. Consolidated accounts may be obtained from this Company.

These consolidated accounts are further integrated in the consolidated accounts of KBC Group, Havenlaan 2, Bruxelles, in Belgium. Consolidated accounts may be obtained from this Company.

### a. Foreign currency translation

The Company maintains its accounting records according to the multi-currency system and its annual accounts are expressed in Euro ("EUR").

Transactions expressed in foreign currencies are converted to EUR at the rates of exchange prevailing at the date of the transaction.

At the balance sheet date, assets and liabilities in foreign currencies, including technical provisions, are calculated in EUR based on exchange rates in force at that date.

## ... Notes to the annual accounts

The positive and negative exchange differences (realised and unrealised) resulting from the application of these principles are included in the result for the financial year.

### **b. Intangible assets**

Intangible assets which are composed of software licenses and computer software are valued on the asset side of the balance sheet at acquisition cost.

These assets are depreciated on a straight-line basis over their estimated useful lives as follows:

- Software        5 years
- License         4 years

### **c. Shares in affiliated undertakings and participating interests**

On acquisition, shares in affiliated undertakings are valued at acquisition cost. Where an impairment is expected to be permanent in nature, the shares in affiliated undertakings are subjected to value adjustments to be valued at the lower price at the balance sheet date. These value adjustments are no longer continued when the reasons for which they were made cease to apply.

### **d. Debt securities and other fixed-income securities**

Debt securities and other fixed income securities are recorded at acquisition cost including accessory transaction costs. Where the acquisition cost exceeds the amount repayable at maturity, the difference (premium) is charged to the profit and loss account in installments over the period remaining until repayment. Where the acquisition cost is lower than the amounts repayable at maturity, the difference (discount) is released to income in installments over the period remaining until repayment.

Where the directors expect impairment in value to be permanent in nature, these investments are subjected to value adjustments to be valued at the lower price at the balance sheet date. These value adjustments should no longer continue when the reasons for which they were made cease to apply.

An impairment in value is considered to be permanent in nature when the following two conditions are met over a period of more than 6 months:

- a rating strictly below **BBB-**, or absence of a rating;
- market value is more than **25% below the carrying value**.

### **e. Shares and other variable-yield securities and units in unit trusts**

Shares and other variable-yield securities and units in unit trusts are recorded at their acquisition date, at cost.

At the end of the financial year, shares and other variable-yield securities and units in unit trusts are valued at the lower of acquisition cost or market value.

Dividends are booked net of any withholding taxes and are registered at the date of the decision to distribute them. Dividends are recorded in the profit and loss account under "Income from other investments".

### **f. Units in private equity funds**

In order to determine the estimated value of units in private equity funds, the Board of Directors relies on the capital statements of the funds and/or on other available information or documents. The latest valuation is retained.

At the end of the financial year, value adjustments are made for any investment whose estimated value is lower than the acquisition cost. These value adjustments should no longer continue when the reasons for which they were made cease to apply.

The acquisition cost of the investment increases in case of new paid-up capital and decreases in case of distribution, whether it is a reimbursement of capital or any other type of distribution.

## ... Notes to the annual accounts

### **g. Debtors**

Debtors are shown at their nominal value. Value adjustments are made should their full or partial recovery come into doubt. The value adjustments are not maintained when the reasons for which they are made cease to apply.

### **h. Tangible assets**

Tangible assets are valued at their acquisition cost. Depreciations are calculated based on their estimated useful lives.

These assets are depreciated on a straight-line basis over their estimated useful lives as follows:

- Furniture 10 years
- IT equipment 4 years

### **i. Provision for unearned premiums**

The provision for unearned premiums comprises the amount representing that part of gross premiums written which is to be allocated to the following or subsequent financial years. It is computed separately for each reinsurance contract based on the information received from the ceding companies.

### **j. Provision for claims outstanding**

The provision for claims is established based on reports and individual estimates received from the ceding companies and includes the provision for late losses as well as the provision for future claims handling expenses.

At the end of each subsequent financial year, the provision is adjusted as a result of acquired experience and information available. The amount relating to reinsurance, if any, is shown separately under assets.

The estimate of claims incurred but not reported ('IBNR') is generally subject to a greater degree of uncertainty than the estimate of the cost of settling claims already notified to the Company, where more information about a claim event is generally available. Some claims tend to be reported to the reinsurer after a couple or more years after the event has incurred. When calculating the IBNR claims reserve, the Company uses a variety of estimation techniques, generally based upon statistical analyses of historical experience, which assumes that the development pattern of the current claims will be consistent with past experience.

### **k. Provisions for other risks and charges**

Provisions for other risks and charges are included to cover losses or debts whose nature is clearly defined and are, at the balance sheet date, either likely or certain to be incurred but amounts or timing are indeterminable.

### **l. Equalisation provision**

In accordance with the rules applicable for reinsurance companies in Luxembourg an equalisation provision must be established by the Company. Based on the grand ducal regulation of 5 December 2007 and other applicable legislation, the annual allocation to this provision equals the sum of the technical results and a share of the financial result until the provision reaches a ceiling. This ceiling is determined by multiplying the net reinsurance premiums, as determined according to the said regulation, with a factor fixed by the "Commissariat aux Assurances" for each type of risk category.

### **m. Allocated investment return**

In accordance with Article 55 of the modified Law of December 8, 1994 on the accounts of insurance and reinsurance undertakings, the Company has transferred the investment income before taxes generated by the statutory seat and the investment income after taxes generated by the branch, net of corresponding charges, to the non-life insurance technical account.

## ... Notes to the annual accounts

### NOTE 3 - INTANGIBLE ASSETS

	<b>2025 EUR</b>	<b>2024 EUR</b>
Gross Book Value Beginning of the year	313.385	313.385
Additions during the year	16.805	0
Disposals during the year	0	0
<b>Gross Book Value End of the year</b>	<b>330.190</b>	<b>313.385</b>
Accumulated depreciation beginning of the year	(287.146)	(252.080)
Depreciation during the year	(23.410)	(35.066)
Disposals during the year	0	0
Accumulated depreciation of the year	(310.556)	(287.146)
<b>Net Book Value end of the year</b>	<b>19.634</b>	<b>26.239</b>

### NOTE 4 - SHARES AND OTHER VARIABLE YIELD SECURITIES

	<b>2025 EUR</b>	<b>2024 EUR</b>
Acquisition cost	102.221.174	99.775.817
Cumulated value adjustments	(9.551.225)	(10.109.807)
<b>Net book value</b>	<b>92.669.949</b>	<b>89.666.010</b>
<i>Of which private equity</i>	<i>0</i>	<i>285.613</i>
<b>Current value</b>	<b>110.314.824</b>	<b>107.597.820</b>
<i>Of which private equity</i>	<i>350.130</i>	<i>918.697</i>

### NOTE 5 - DEBT SECURITIES AND OTHER FIXED INCOME SECURITIES

	<b>2025 EUR</b>	<b>2024 EUR</b>
Acquisition cost	379.294.676	336.327.885
Accumulated value adjustments/premiums/discounts/amortisation	39.572	(4.069.001)
<b>Net book value</b>	<b>379.334.248</b>	<b>332.258.884</b>
<b>Current value</b>	<b>372.767.467</b>	<b>324.956.919</b>

## ... Notes to the annual accounts

During the year 2025, discounts recorded as income in the profit and loss account, amounted to EUR 1.830.929 (2024: EUR 1.193.961). The premiums booked as cost in the profit and loss account amounted to EUR 1.006.308 (2024: EUR 1.191.208).

As at 31 December 2025, unamortised premiums amounted to EUR 2.972.332 (2024: EUR 2.941.506) and unamortised discount amounted to EUR 8.315.085 (2024: EUR 8.559.622).

The book value of some debt securities and other fixed income securities is greater (see table below) than their fair value. The book values have not been depreciated, as the impairment in value is not expected to become permanent.

	<b>2025 EUR</b>	<b>2024 EUR</b>
<b>Net book value</b>	<b>206.778.412</b>	<b>168.130.154</b>
<b>Current value</b>	<b>196.951.828</b>	<b>156.035.774</b>

### NOTE 6 - DEPOSITS WITH CEDING COMPANIES

These deposits relate to technical deposits with ceding companies.

	<b>2025 EUR</b>	<b>2024 EUR</b>
<b>Net book value</b>	<b>45.244.996</b>	<b>32.790.966</b>
<b>Current value</b>	<b>45.244.996</b>	<b>32.790.966</b>

As at 31 December 2025, the deposits with ceding companies that are affiliated undertakings amounted to EUR 40.338.349 (2024: EUR 27.527.413).

### NOTE 7 - DEBTORS ARISING OUT OF REINSURANCE OPERATIONS

As at 31 December 2025, debtors arising out of reinsurance operations owed by affiliated undertakings amounted to EUR 16.434.232 (2024: EUR 14.169.362).

### NOTE 8 - OTHER DEBTORS AND OTHER CREDITORS, INCLUDING TAX AND SOCIAL SECURITY LIABILITIES

As at 31 December 2025, other receivables mainly included tax advances paid to the tax authorities by KBC Group Re S.A. in respect of the tax consolidation (EUR 10.266.000 - 2024: EUR 9.974.000).

## ... Notes to the annual accounts

### NOTE 9 - TANGIBLE ASSETS

	<b>2025 EUR</b>	<b>2024 EUR</b>
Gross Book Value Beginning of the year	440.729	402.867
Additions during the year	43.492	37.862
Disposals during the year	0	0
<b>Gross Book Value End of the year</b>	<b>484.221</b>	<b>440.729</b>
Accumulated depreciation beginning of the year	(349.621)	(318.913)
Depreciation during the year	(35.742)	(30.708)
Disposals during the year	0	0
Accumulated depreciation end of the year	(385.363)	(349.621)
<b>Net Book Value end of the year</b>	<b>98.858</b>	<b>91.108</b>

### NOTE 10 - CAPITAL AND RESERVES

As at 31 December 2025, the share capital amounted to EUR 41.692.987 represented by 544 shares with no nominal value. The allocation of the 2024 result was made after approval of the accounts by the shareholders at the Annual General Meeting on 12 May 2025.

The fair value reserves correspond to the reserve set up by Kredietcorp S.A. pursuant to article 54 LIR to neutralise the realised gain on certain securities. As at December 31, 2025, the residual gain amounted to EUR 95.507 and is included under "Other reserves".

In EUR	Subscribed capital	Legal reserve	Other reserves	Dividend	Result of the year
As at 31.12.2024	41.692.987	4.169.299	1.701.853	0	10.593.865
Allocation of 2024 result	0	0	0	10.593.865	(10.593.865)
KBC Group RE - release of the reserve NWT 2020			(637.950)	637.950	
Kredietcorp merger - fair value reserves			(106.798)		
2025 result					2.481.369
As at 31.12.2025	41.692.987	4.169.299	957.105	11.231.815	2.481.369

## ... Notes to the annual accounts

### NOTE 11 - LEGAL RESERVE

5 % of the annual profit of companies incorporated under Luxembourg law must be allocated to the legal reserve. That allocation ceases to be necessary when the legal reserve reaches 10 % of the share capital.

The legal reserve cannot be distributed as dividend or in any other form of payment to the shareholders during the life of the Company. Allocation to the legal reserve is decided by the shareholders during their annual general meeting approving the annual accounts.

### NOTE 12 - CREDITORS ARISING OUT OF REINSURANCE OPERATIONS

As at 31 December 2025, creditors arising out of reinsurance operations owed to affiliated undertakings amount to EUR 4.420.553 (2024: EUR 8.143.229).

The duration of the creditors arising out of reinsurance operation (2025: EUR 4.420.553) is less than one year.

### NOTE 13 - GROSS PREMIUMS WRITTEN

Gross premiums are broken down as follows:

	<b>2025 EUR</b>	<b>2024 EUR</b>
Non-life insurance	102.550.546	110.493.307

Reinstatement premiums are included for an amount of EUR 2.484.699 in 2025 (EUR 8.292.867 in 2024).

### NOTE 14 - INCOME FROM OTHER INVESTMENTS

Income from other investments is distributed as follows:

	<b>2025 EUR</b>	<b>2024 EUR</b>
Income from other investments	12.765.147	16.777.008
<i>out of which income from deposits and current accounts held by credit institutions</i>	<i>594.686</i>	<i>587.441</i>

## ... Notes to the annual accounts

### NOTE 15 - STAFF COSTS

The average number of persons employed during the financial year 2025 amounted to 9,49 (in full time equivalent) (2024: 10,5 persons), represented as follows:

Directors: 1 FTE (2024: 1 FTE)

Managers: 2,9 FTE (2024: 2,8 FTE)

Employees: 5,59 FTE (2024: 6,7 FTE)

Staff costs relating to the financial year are composed as follows:

	<b>2025 EUR</b>	<b>2024 EUR</b>
Salaries	1.227.431	1.211.804
Social security costs	207.900	170.467
of which: pensions	92.972	92.110

Staff costs are included in the caption “administrative expenses”.

### NOTE 16 - REMUNERATION GRANTED TO MEMBERS OF SUPERVISORY BODIES AND COMMITMENTS ENTERED INTO IN RESPECT OF RETIREMENT PENSIONS FOR FORMER MEMBERS OF THOSE BODIES

The Company did not grant any remuneration to members of supervisory bodies for the services rendered during the year 2025 and 2024. The Company has no commitments in respect of retirement pensions for former members of those bodies as at 31 December 2025.

### NOTE 17 - TAXES

The Company is subject to taxes on income and on wealth in force in the Grand Duchy of Luxembourg.

Taxes on income are recognised under “Tax on profit or loss on ordinary activities” in the profit and loss account. Net Wealth Tax (NWT) is included in “Other taxes not shown under the preceding items” in the profit and loss account.

Since 28 December 2018, KBC Group Re S.A. has been granted the tax consolidation regime as a head Company as from the 2018 tax year. The original integrated companies were: KBC Lease Luxembourg S.A. and KBC Ifima S.A.. Two companies joined the fiscal consolidation later: KBC Real Estate S.A. in 2020 and KBC AM Lux in 2023.

## ... Notes to the annual accounts

### NOTE 18 - AUDITOR'S FEES

The total fees expensed by the Company and due for the current financial period to the audit firm are presented as follows:

	<b>2025 EUR</b>	<b>2024 EUR</b>
Audit fees	45.000	47.825
Audit - related fees	5.000	5.000
Tax fees	0	0
Other fees related to permissible non-audit services	0	0
<b>TOTAL</b>	<b>50.000</b>	<b>52.825</b>

The non-audit services that the auditor provided to the Company and its controlled undertakings for the year then ended is the issuance of the reports required by the regulator.

### NOTE 19 - OFF BALANCE SHEET COMMITMENTS

As at 31 December 2025, commitments representing the remaining capital to be paid for the private equity funds amounted to EUR 2.533.702 (2024: EUR 2.771.032).

### NOTE 20 - SUBSEQUENT EVENTS

There were no significant events between 31 December 2025 and the date of the closing of the accounts.

The conflict unfolding in the Middle East in early 2026 may give rise to geopolitical, economic, business and financial market impacts that remain difficult to assess at this stage. While the Company has only limited exposure to the region, potential indirect effects will be closely monitored throughout the year.

### NOTE 21 – PILLAR II

The Company is part of a group subject to the newly issued Pillar II regulations by the OECD. The Pillar II legislation was adopted in Luxembourg, where the Company is incorporated, and came into effect for financial years beginning on or after 31 December 2023. Under the legislation, the Company must pay a supplementary tax for the difference between its effective Pillar II tax rate per jurisdiction and the minimum tax rate of 15%.

The Group conducted an evaluation of the impact of Pillar II. The Company will have no top-up tax liability under the Luxembourg Pillar II legislation for the current financial year.

#### **Tax consolidation**

Since 28 December 2018, the Company has been part of a tax consolidation, of which it is the integrating company. The tax consolidation includes KBC Lease (Luxembourg) S.A.. Therefore, the Company benefits from the tax credits and deferred amortizations generated by KBC Lease (Luxembourg) S.A. since the latter entered into the tax consolidation.

## ... Notes to the annual accounts

### Deferred tax credits

Management of the Company recognizes, based on the last tax return filed, that at 31 December 2024 the tax consolidation has EUR 14.806.202 of tax credits carried forward generated during the fiscal consolidation. It estimates that the tax credits amount to EUR 19.552.394 at the end of the current period (financial year 2025). This could result in a potential deferred tax asset of EUR 19.552.394 at 31 December 2025. This amount can be carried forward for ten years following the tax year in which the tax credits were generated.

### Temporary differences

Management of the Company recognizes, based on the last tax return filed, that the Company has temporary differences of EUR 20.101.069 due to deferred amortization as of 31 December 2024, and it estimates that the temporary differences will amount to EUR 24.094.567 at the end of the current period (financial year 2025). This could result in a potential deferred tax asset of EUR 5.751.373, at a tax rate of 23,87%.

