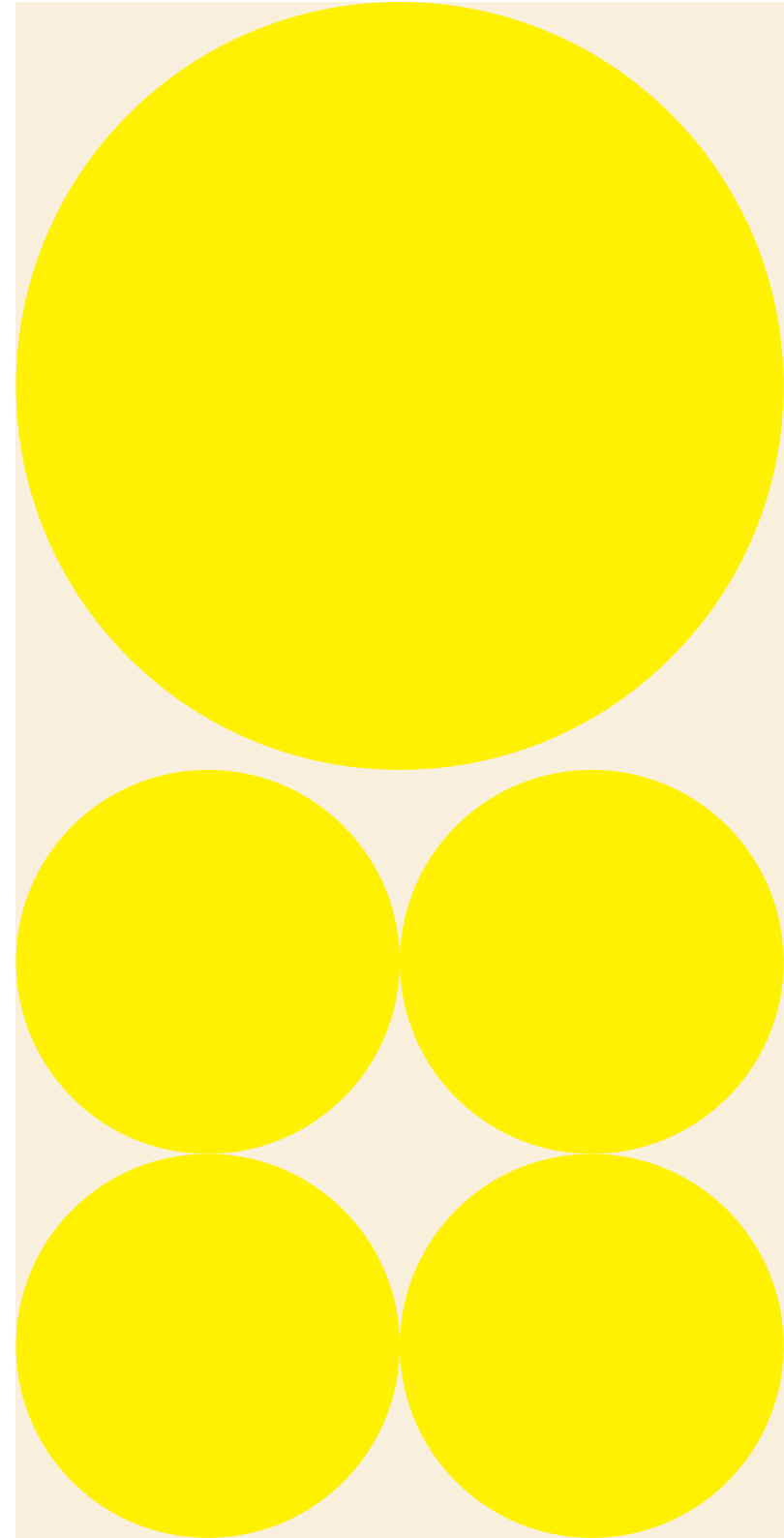


# 2025

# Annual Report

ARAG Allgemeine Versicherungs-AG  
Single-entity financial statements  
and management report



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# Overview of the Company



# I. Profile of the ARAG Group

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## Overview

The ARAG Group is the largest family enterprise in the German insurance industry and the leading legal insurer worldwide. When it was founded over 90 years ago, the Company focused purely on legal insurance. Today, ARAG positions itself as an innovative and high-quality insurer that is international and independent. In addition to legal insurance, its portfolio in Germany includes effective, needs-based products and services covering health insurance and casualty and property insurance. The Company aims to generate growth across all insurance segments in Germany and to exploit the potential for expansion in the international legal insurance business.

ARAG SE is responsible for operational Group management and the legal insurance operating business at both domestic and international levels. The ARAG insurance and service companies are responsible for the other lines of business and the related operational management. ARAG Holding SE manages the assets and is the parent company of the Group from a company law perspective.

## Legal insurance

In its core legal insurance segment, ARAG is growing rapidly in both Germany and abroad and plays a major role in shaping its markets with innovative products and services. The international legal insurance business is the Group's most significant area of activity. Worldwide, the Group helps its legal insurance customers with just over 1.7 million cases per year, thereby playing its part in resolving sometimes existential legal problems.

## Personal insurance

In the private health insurance market, ARAG Krankenversicherungs-AG (ARAG Health) offers a broad range of products with outstanding customer benefits, emphasizing its appeal as one of the best providers of full-coverage and supplementary health insurance. ARAG Core Sales also offers products from a strategic partner, complementing ARAG's services with a retirement pension offering.

## Casualty and property insurance

In a fiercely competitive market, ARAG Allgemeine Versicherungs-AG is demonstrating its strength as a competitive provider of property, liability, and accident insurance policies. This company is also Germany's largest sports insurer, providing cover for more than 21 million recreational sports participants and top-ranking athletes across the country. Its subsidiary Interlloyd specializes in attractive brokering products in the commercial and private customer segments, adding a further dimension to the Group's portfolio.



## II. Key Figures

### Key figures

(€'000)	2025	2024	2023
<b>Sales revenue</b>			
Gross premiums written	236,403	224,991	213,839
Premiums earned net of reinsurance	225,135	214,479	206,242
<b>Expenses</b>			
Claims incurred net of reinsurance	121,985	130,693	108,159
Insurance business operating expenses net of reinsurance	101,600	95,356	90,981
<b>Net income overview</b>			
Underwriting result before equalization provision, gross	5,634	- 14,433	12,007
Underwriting result before equalization provision, net of reinsurance	394	- 12,406	6,082
Underwriting result after equalization provision, net of reinsurance	- 5,321	- 3,617	9,481
Gains and losses on investments	9,465	14,471	6,924
Other net income/expense	- 3,056	- 1,947	- 3,746
Profit/loss from ordinary activities	1,088	8,907	12,658
Net income for the year ( before profit transfer under profit-and-loss transfer agreement )	1,150	8,681	12,158
Technical provisions/ net premiums earned	129.2%	132.2%	136.1%
Equity/ premiums earned net of reinsurance	31.2%	25.8%	26.8%
<b>Key ratios</b>			
Claims ratio, net ( basis: premiums earned )	54.2%	60.9%	52.4%
Cost ratio, net ( basis: premiums earned )	45.1%	44.5%	44.1%
Net yield	2.7%	4.0%	2.0%
Current average yield	1.0%	2.6%	2.0%



# Management Report



# I. Company Fundamentals

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## Business model

The ARAG Group is the largest family enterprise in the German insurance industry and the leading legal insurer worldwide. Its Group companies operate in the health, property, liability, and accident insurance segments in Germany. Service companies and brokerage firms round off the ARAG Group's service offering and support the operating insurance companies. Including Germany, the Group operates in a total of 19 countries through branches, subsidiaries, and equity investments.

ARAG Allgemeine offers modular insurance cover for accident insurance, liability insurance, and private property insurance (mainly composite residential buildings and home contents insurance) to its predominantly private and small business customers.

ARAG Allgemeine also considers itself to be a partner of the sports community, based on long-established ties in this area of business. The Company provides needs-based insurance cover for insured clubs and associations involved in sports and the arts, largely under group and supplementary insurance policies. In addition to its head office in Düsseldorf, ARAG Allgemeine maintains 15 offices at insured state sports associations and one office at the German Ski Association.

## Territory

The territory covered by ARAG Allgemeine encompasses the Federal Republic of Germany and, for some classes of insurance, the United Kingdom and the Republic of Ireland. The UK branch is being wound up. The permanent establishment in the Republic of Ireland opened in 2019.

## Segments and classes of insurance

The Company's operations cover direct business in the following segments and classes of insurance:

### Accident insurance

- Individual accident insurance without premium refunds
- Group accident insurance without premium refunds
- Motor accident insurance

### Liability insurance

- Personal liability insurance
- Commercial general liability and professional indemnity insurance
- Environmental liability insurance
- Financial loss liability insurance
- Sundry and non-itemized liability insurance

### Motor insurance

- Motor liability insurance
- Full-coverage vehicle insurance
- Cost-share vehicle insurance



## Legal insurance

### Fire insurance

- Industrial fire insurance
- Agricultural fire insurance
- Miscellaneous fire insurance

### Burglary, theft, and robbery insurance

### Water damage insurance

### Glass insurance

### Storm and tempest insurance

- Storm and tempest insurance with/without cover for other natural disasters

### Composite home contents insurance

- Composite home contents insurance with/without cover for other natural disasters

### Composite residential buildings insurance

- Composite residential buildings insurance with/without cover for other natural disasters

### Technical insurance

- Electronic equipment insurance
- Construction contractors' all risks insurance
- Sundry and non-itemized technical insurance

## Marine insurance

### Insurance for additional risks under fire insurance and under insurance for business interruption caused by fire (extended coverage [EC] insurance)

### Business interruption insurance

- Insurance for business interruption caused by fire
- Insurance for business interruption caused by technical failure
- Miscellaneous business interruption insurance

### Emergency assistance insurance

- Special service package insurance
- Sundry and non-itemized assistance insurance

### Miscellaneous indemnity insurance

- Miscellaneous property insurance (including cycle and baggage insurance)
- Miscellaneous consequential loss insurance (including pet health and loss of rent insurance [tenant default])
- Miscellaneous endowment insurance
- Fidelity insurance
- Sundry and non-itemized miscellaneous indemnity insurance

The Company's operations cover inward reinsurance business in the following segments and classes of insurance:

### Accident insurance

- Individual accident insurance without premium refunds
- Group accident insurance without premium refunds
- Sundry and non-itemized general accident insurance



### **Liability insurance**

- Personal liability insurance
- Commercial general liability and professional indemnity insurance
- Environmental liability insurance
- Financial loss liability insurance
- Carrier's liability insurance
- Sundry and non-itemized liability insurance

### **Legal insurance**

### **Fire insurance**

- Miscellaneous fire insurance

### **Burglary, theft, and robbery insurance**

### **Water damage insurance**

### **Glass insurance**

### **Storm and tempest insurance**

- Storm and tempest insurance with/without cover for other natural disasters

### **Composite home contents insurance**

- Composite home contents insurance with/without cover for other natural disasters

### **Composite residential buildings insurance**

- Composite residential buildings insurance with/without cover for other natural disasters

### **Technical insurance**

- Electronic equipment insurance
- Construction contractors' all risks insurance
- Sundry and non-itemized technical insurance

### **Marine insurance**

### **Insurance for additional risks under fire insurance and under insurance for business interruption caused by fire (extended coverage [EC] insurance)**

### **Business interruption insurance**

- Insurance for business interruption caused by fire
- Insurance for business interruption caused by technical failure
- Miscellaneous business interruption insurance

### **Emergency assistance insurance**

- Special service package insurance
- Sundry and non-itemized assistance insurance

### **Miscellaneous indemnity insurance**

- Miscellaneous property insurance (including exhibition, cycle, and camera insurance)
- Miscellaneous consequential loss insurance (including pet health and loss of rent insurance [insured events])
- Miscellaneous endowment insurance
- Sundry and non-itemized miscellaneous indemnity insurance

Customers who have taken out an AUB 2007, AUB 2012, or AUS 2016 version of the ARAG Unfall-Schutz accident insurance policy (general terms and conditions of accident insurance 2007, general terms and conditions of accident insurance 2012, and general terms and conditions of accident insurance 2016 respectively) also continue to enjoy a bonus in the form of a special payment in the event of a successful claim, depending on the length of time the policy has been in force. The bonus entitlement is published in the Company's annual report and applies to all new claims submitted in the 2025 and 2026 financial years in respect of accidents occurring in 2025 and 2026.

In addition to the contractually agreed benefits, holders of an AUB 2007, AUB 2012, or AUS 2016 version of the ARAG Unfall-Schutz accident insurance policy receive, in the event that benefits are paid out under the policy, the following bonus (as a percentage of the contracted benefits) in accordance with the special terms and conditions of the insurance:

Number of complete years policy in force	Benefit bonus level	2025/2026 bonus declaration		
		Benefit type		
		Disability	Accident disability	Death
1	1	0.0%	0.0%	0.0%
2	2	3.0%	3.0%	3.0%
3	3	6.0%	6.0%	6.0%
4	4	8.0%	8.0%	8.0%
5	5	10.0%	10.0%	10.0%
6	6	10.0%	10.0%	10.0%
7	7	11.0%	11.0%	11.0%
8	8	11.0%	11.0%	11.0%
9	9	12.0%	12.0%	12.0%
10	10	12.0%	12.0%	12.0%
11	11	13.0%	13.0%	13.0%
12	12	13.0%	13.0%	13.0%
13	13	14.0%	14.0%	14.0%
14	14	14.0%	14.0%	14.0%
15	15	15.0%	15.0%	15.0%
16	16	15.0%	15.0%	15.0%
17	17	15.0%	15.0%	15.0%
18	18	15.0%	15.0%	15.0%
19	19	15.0%	15.0%	15.0%
20	20	15.0%	15.0%	15.0%
21	21	15.0%	15.0%	15.0%
22	22	15.0%	15.0%	15.0%
23	23	15.0%	15.0%	15.0%
24	24	15.0%	15.0%	15.0%
25 or more	25	15.0%	15.0%	15.0%

## II. Economic and Sector Conditions

### Macroeconomic backdrop

The macroeconomic environment remained volatile in 2025. The economy languished in a prolonged period of stagnation, with structural weaknesses, high energy costs, and a low level of new investment all taking their toll. Pressure came from two directions. US trade policy in the form of protectionist import tariffs gave rise to geopolitical tensions that hampered economic growth, while industry – especially energy-intensive sectors – continued to suffer amid high energy costs and sluggish capital spending. Simultaneously, the skills shortage and demographic change throttled production capacity. Expansionary fiscal policy entailing investment in infrastructure and climate change mitigation was only able to offset the economic weakness to a limited extent. The mood in the economy remained muted, marked by uncertainty surrounding the outlook for global trade and the ability to navigate the structural challenges. Overall, global gross domestic product (GDP) grew by 2.6 percent in 2025 (2024: 2.9 percent) according to the German Council of Economic Experts.

Despite the job market recovering somewhat and moderate growth in real wages, consumer demand continued to be subdued and private capital spending saw little fresh impetus. Over the course of the year, the European Central Bank (ECB) continued its monetary easing and lowered the deposit facility interest rate to support the ailing economy. Germany's rate of inflation stabilized and, according to the German Council of Economic Experts, was on a par with the prior year at around 2.2 percent in 2025 and thus within the ECB's target range.

## Insurance industry

The German insurance industry continued to be robust despite this difficult backdrop. Based on provisional information from the German Insurance Association (GDV), the volume of business in the insurance industry in Germany is expected to have remained stable in 2025. Across all insurance segments, a further premium increase of 7.4 percent overall is anticipated (2024: increase of 5.2 percent). In the private health insurance business, the GDV is forecasting a premium increase of 8.0 percent (2024: 4.2 percent), also thanks to premium adjustments. In direct casualty and property insurance business, the overall market is expected to have grown by 7.7 percent (2024: 8.2 percent). Once again, composite residential buildings insurance played a role in this trend with anticipated growth of 7.5 percent in 2025 (2024: 11.9 percent), primarily forged through renewed premium and index adjustments. Legal insurance is also expected to have grown, by 6.0 percent (2024: 5.3 percent), on the back of higher premiums in new business and sustained growth in existing business in 2025.

## III. Business Performance

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The business performance of ARAG Allgemeine, broken down by net assets, financial position, and results of operations, is presented using the following KPIs, which have not been weighted. Premiums written and profit before tax are the most important KPIs.

Due to currency amounts being presented in thousands, the precise mathematical amounts may differ from those presented as a result of rounding differences. Those differences may affect totals and percentages.

## Results of operations

### Premiums

Income from gross premiums written totaled €236,403 thousand in 2025, following €224,991 thousand in the prior year. Of this total, 81.7 percent related to direct business in Germany, which saw gross premiums written rise by 4.8 percent to €193,042 thousand (2024: €184,149 thousand). Whereas premium income at the UK branch disappeared entirely due to the restructuring of the UK business, the German business saw premium growth that was primarily driven by premium and index adjustments in the composite residential buildings insurance business and a renewed year-on-year increase in the number of new policies underwritten (including in liability, home contents, and pet health insurance).

Income from gross premiums written in the Company's inward reinsurance business in Germany rose by 6.9 percent in 2025, from €31,194 thousand to €33,333 thousand. This income was almost exclusively attributable to premiums from the wholly owned subsidiary Interlloyd Versicherungs-AG, Düsseldorf, with which ARAG Allgemeine has entered into a quota-share reinsurance treaty. Interlloyd's quota share of 50.0 percent remained unchanged in 2025.

The insurance business brokered through international branch business generated income from gross premiums written of €10,028 thousand (2024: €9,648 thousand), which exclusively related to business from the branch in the Republic of Ireland.

After taking into account unearned premiums and after deduction of the external reinsurers' shares, the Company's remaining net premiums earned amounted to €225,135 thousand (2024: €214,479 thousand). The volume of gross premiums ceded to reinsurers went up from €9,981 thousand to €10,504 thousand in the reporting year, a rise of 5.2 percent.

The number of in-force insurance policies came to 2,148,419 at the end of 2025 (December 31, 2024: 2,058,255). Of this total, 1,041,119 (December 31, 2024: 1,024,675) were attributable to the business in Germany and 1,107,300 (December 31, 2024: 1,033,580) to the international branch business.

### **Customer benefits**

The total gross expenses for claims incurred came to €126,246 thousand in 2025, compared with €141,438 thousand in 2024.

Overall, the gross claims ratio stood at 53.6 percent (2024: 63.0 percent). Direct insurance business in Germany accounted for €103,849 thousand (2024: €120,297 thousand), which means that the claims ratio before reinsurance in this business was 53.9 percent (2024: 65.5 percent). The decline was due in large part to a lower level of reserve strengthening and to significantly lower expenses for major claims for the reporting year. Conversely, the claims reported for the year in Germany rose by 7.2 percent compared with the prior year.

The claims incurred in inward reinsurance business in Germany amounted to €19,645 thousand in 2025 (2024: €18,247 thousand). This gave rise to a gross claims ratio of 59.3 percent (2024: 58.6 percent).

Gross international branch business accounted for €2,752 thousand (2024: €2,895 thousand), which means that the claims ratio before reinsurance was 27.8 percent (2024: 30.5 percent).

The Company's remaining claims incurred net of reinsurance amounted to €121,985 thousand, compared with €130,693 thousand in 2024. Based on premium income earned net of reinsurance, the net claims ratio therefore came to 54.2 percent (2024: 60.9 percent).

### **Insurance business operating expenses**

Gross insurance business operating expenses rose by 6.2 percent to €102,567 thousand in the reporting year (2024: €96,570 thousand). The cost ratio before reinsurance came to 43.5 percent (2024: 43.0 percent).

Direct insurance business in Germany accounted for €80,563 thousand (2024: €75,859 thousand). The increase was due to higher commissions as a result of the rise in premium income in Germany. Based on the gross premium income earned in direct insurance business in Germany, the cost ratio stood at 41.8 percent (2024: 41.3 percent).

Insurance business operating expenses in the inward reinsurance business in Germany came to €15,768 thousand (2024: €14,839 thousand). The rise in commissions as a result of growth in premium income led to higher costs in this business too. The cost ratio for this part of the business was 47.6 percent, compared with 47.7 percent in the prior year.

Costs of €6,235 thousand before reinsurance (2024: €5,872 thousand) were attributable to international branch business. The gross cost ratio for the international branch business was 63.0 percent, compared with 61.9 percent in the prior year.

Overall, the ratio of insurance business operating expenses net of reinsurance to premiums earned went up by 0.6 percentage points year on year to 45.1 percent.

## Results of operations by insurance segment

The business performance of the individual insurance segments in direct insurance and inward reinsurance business was as follows:

### Direct insurance and inward reinsurance business

(€'000)	Accident insurance		Liability insurance		Composite home contents insurance		Composite residential buildings insurance		Legal insurance		Emergency assistance insurance		Miscellaneous insurance		Inward reinsurance business	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Gross premiums written	48,703	48,620	50,800	49,083	27,746	26,181	25,605	22,977	6,440	6,285	8,496	8,588	32,414	29,284	36,200	33,975
Premiums earned net of reinsurance	45,958	45,778	48,267	46,631	25,662	24,293	23,531	21,261	6,419	6,188	8,195	8,605	31,157	27,824	35,946	33,900
Claims incurred net of reinsurance	15,519	22,230	25,288	22,320	14,842	16,480	19,863	22,528	1,486	1,577	6,522	6,947	17,862	19,434	20,602	19,176
Insurance business operating expenses net of reinsurance	18,564	18,297	20,389	19,461	12,289	11,712	11,003	9,997	4,544	4,396	4,133	3,835	13,622	11,662	17,056	15,996
Underwriting result net of reinsurance before equalization provision	12,403	5,466	2,708	4,937	-1,560	-3,939	-7,768	-11,398	389	214	-2,751	-2,151	-613	-3,591	-2,412	-1,944
Change in the equalization provision	0	0	-1,137	-954	0	-2,903	3,606	-1,316	598	-1,931	0	0	2,262	775	-387	2,462
Underwriting result net of reinsurance after equalization provision	12,403	5,466	3,845	5,890	-1,560	-1,037	-11,375	-10,082	-209	2,145	-2,751	-2,151	-2,875	-4,366	-2,799	518

### Reinsurance

The volume of outward reinsurance, measured on the basis of insurance premiums ceded, was up slightly year on year at €10,504 thousand (2024: €9,981 thousand). There were no material changes to the reinsurance program, which continued to focus on insuring the risk from large claims and accumulation losses through non-proportional reinsurance treaties. Reinsurance business was dominated by the settlement of various property, liability, and accident insurance claims in 2025. From the reinsurers' perspective, the underwriting result improved to a profit of €5,240 thousand in 2025 (2024: loss of €2,027 thousand).

### Underwriting result

For the aforementioned reasons, the net underwriting result before the equalization provision amounted to a profit of €394 thousand in 2025 (2024: loss of €12,406 thousand) and was therefore substantially up on the prior-year figure. The combined ratio net of reinsurance stood at 99.3 percent (2024: 105.4 percent). In accordance with the calculation requirements specified in the German Regulation on the Accounting of Insurance Undertakings (RechVersV), €5,716 thousand was added to the equalization provision on the basis of the trends in claims and premiums (2024: withdrawal of €8,790 thousand). The underwriting result net of reinsurance after the equalization provision came to a loss of €5,321 thousand (2024: loss of €3,617 thousand).

### **Gains and losses on investments**

Gains and losses on investments at ARAG Allgemeine amounted to a net gain of €9,465 thousand in 2025 (2024: €14,471 thousand), a decrease of €5,006 thousand. Income from investments of €13,639 thousand was generated in 2025, compared with €16,190 thousand in the prior year. The main components of income from investments were gains on the disposal of investments of €6,514 thousand (2024: €5,406 thousand), income from other investments of €3,962 thousand (2024: €3,409 thousand), and income from equity investments of €3,142 thousand (2024: €4,685 thousand). Expenses for investments amounted to €3,742 thousand in the reporting year (2024: €1,604 thousand). The rise was due in large part to the profit-and-loss transfer agreement with the subsidiary Interlloyd and the losses to be absorbed thereunder of €1,869 thousand (2024: profit of €2,684 thousand). The depreciation, amortization and write-downs of investments required stood at €343 thousand (2024: €84 thousand). The net yield on investments was 2.7 percent in the year under review (2024: 4.0 percent); the current average yield was 1.0 percent (2024: 2.6 percent).

### **Other net income/expense**

Overall, the Company's other net non-underwriting income/expenses deteriorated year on year, amounting to a net expense of €3,056 thousand (2024: net expense of €1,947 thousand). The deterioration was attributable, in particular, to lower income from an intercompany loss equalization agreement and higher expenses from the Company's allocation of expenses to functions in Germany.

### **Profit/loss from ordinary activities**

Profit from ordinary activities stood at €1,088 thousand (2024: €8,907 thousand).

### **Net extraordinary income/expense**

There was no extraordinary income or expense in either 2025 or 2024.

### **Net income for the year**

Considering the economic conditions and financial key performance indicators, the Company's overall business performance was positive again in 2025.

Under a profit-and-loss transfer agreement, ARAG Allgemeine was required to transfer the full sum of its net income for the year amounting to €1,150 thousand (2024: €8,681 thousand) to the parent company ARAG SE.

### **Comparison of business performance with the forecast**

The comparison of business performance in 2025 with the forecasts made in the 2024 outlook and opportunity report shows that the increase in gross premiums written was higher than forecast. At 5.1 percent, the rate of increase in premiums was higher than the rate anticipated in the forecast in the 2024 annual report of 2.3 percent. The growth in premiums resulted primarily from direct insurance business in Germany, specifically composite residential buildings insurance, composite home contents insurance, and the accident and liability insurance classes of insurance.

Compared with the forecast made in 2024, claims incurred net of reinsurance climbed by around €8,136 thousand, chiefly as a result of the increase in reported claims for the reporting year and a renewed increase in major claims for the reporting year. The net claims ratio was around 2.0 percentage points above budget at 54.2 percent.

Insurance business operating expenses, net of reinsurance, were around €3,057 thousand higher than the level forecast in 2024. This was due to commission expenses being higher than the budget.

Gains and losses on investments fared much better than forecast. In particular, unexpected gains on the disposal of investments led to a better result than forecast.

Profit after tax was more than 50 percent lower than originally forecast, largely as a result of higher additions to the equalization provision than budgeted.

## Financial position

The objective of the financial management system is to ensure that the Company holds adequate financial resources and manages its liquidity such that it is able to satisfy its obligations arising from the insurance business at all times and to exceed, rather than simply satisfy, the regulatory requirements concerning the capital adequacy of insurance entities.

In addition to bank deposits, current bank balances, and cash on hand of €3,951 thousand (December 31, 2024: €9,288 thousand), the Company in particular has access to the receivables in the intragroup cash pool that can be sold at short notice, thus ensuring that the Company is able to satisfy its payment obligations at all times.

## Net assets

The breakdown of investments by asset class was as follows:

### Investments breakdown

(€'000 / %)	Dec. 31, 2025		Dec. 31, 2024	
Land and buildings	0	0.0%	0	0.0%
Affiliated companies and equity investments	41,822	11.4%	44,777	12.4%
Lending to affiliated companies and equity investments	0	0.0%	0	0.0%
Equities and investment fund shares / units	158,886	43.4%	163,505	45.1%
Bearer bonds	122,053	33.3%	96,338	26.6%
Loans secured by mortgages or land charges and fixed-income receivables	0	0.0%	0	0.0%
Registered bonds	34,500	9.4%	44,500	12.3%
Promissory notes, loans	7,990	2.2%	12,990	3.6%
Sundry lending	0	0.0%	0	0.0%
Bank deposits	773	0.2%	90	0.0%
Other investments	0	0.0%	0	0.0%
Deposits with ceding insurers	0	0.0%	0	0.0%
<b>Total</b>	<b>366,024</b>	<b>100.0%</b>	<b>362,201</b>	<b>100.0%</b>

Further information on the changes in investments and the fair values as of the balance sheet date can be found in the breakdown of investments shown in the notes to the financial statements. The volume of investments designated for permanent use in the insurance business is shown in the disclosures on accounting policies in the notes to the financial statements.

Overall, the Company continues to be able to satisfy all obligations under existing insurance contracts at all times.

## Equity

Due to an increase in the capital reserves, ARAG Allgemeine's equity rose by €15,000 thousand to €70,323 thousand as of the reporting date (December 31, 2024: €55,323 thousand).

The Company continues to have subscribed capital of €44,000 thousand. In 2025, its capital reserves increased by €15,000, from €10,491 thousand to €25,491 thousand, while its statutory reserves came to €747 thousand and other revenue reserves to €89 thousand.

## Corporate governance declaration

### Non-financial reporting

ARAG Holding SE prepares a Group sustainability report (ARAG Sustainability Report), which is part of the group management report pursuant to section 341j (4) of the German Commercial Code (HGB) and also meets the requirements for a combined non-financial statement prepared in accordance with section 289b et seq. and sections 315b and 315c HGB.

This sustainability report is prepared on a consolidated basis for the ARAG Group and also meets all requirements for a sustainability statement for the ARAG Group pursuant to the European Sustainability Reporting Standards (Delegated Regulation [EU] 2023/2772, ESRS) as well as the non-financial reporting requirements pursuant to sections 289b et seq. HGB and sections 315b and 315c HGB (combined non-financial statement). The sustainability statement for the ARAG Group is prepared in full compliance with ESRS.

### Targets for the proportion of women in management functions

ARAG Allgemeine firmly believes in the importance of equality and diversity. The development of female managerial staff at all levels is therefore a key priority. ARAG Allgemeine endeavors to continually and permanently increase the proportion of women at the first two management levels below the Management Board as well as on the Management Board itself and on the Supervisory Board.

The Supervisory Board had a target of 0 percent for the period to June 30, 2025. This tallied with the actual proportion as of June 30, 2025. A male member of the Supervisory Board will step down with effect from the date of the Annual General Meeting. His proposed successor is also male. This makes sense from a governance point of view because the successor is the Chairman of the Management Board of the parent company. The target for the period to June 30, 2027 therefore remains at 0 percent.

The Management Board had a target of 25 percent for the period to June 30, 2025. This tallied with the actual proportion as of June 30, 2025 and matches the new target for the period to June 30, 2027.

At the first management level below the Management Board, the target was 0 percent as of June 30, 2025. This tallied with the actual proportion as of the reporting date. Because no personnel changes are expected at this management level in the short term, the actual proportion of 0 percent was adopted as the new target for the period to June 30, 2027.

At the second management level below the Management Board, the female-manager target of 13 percent for the period to June 30, 2025 was significantly exceeded as the proportion achieved was 25 percent. A new target of 27 percent was adopted for the period to June 30, 2027.

The disclosures in this section were not audited by the independent auditor.

### Thanks to ARAG employees, sales partners, customers, and the Works Council

ARAG Allgemeine thanks all its employees and sales partners for their hard work and dedication, and its customers for the trust they have placed in the Company. It also extends its thanks to the employee representatives on the Works Council and its committees for the close and constructive cooperation.

## IV. Outlook, Opportunity and Risk Reports

### Outlook and opportunity report

In 2026, the global economy will likely continue to grow at a moderate rate. Global gross domestic product (GDP) will be driven by a gradual recovery of the most important economies, with industrialized countries experiencing steady, albeit muted growth, while individual emerging economies will continue to see regional differences. Geopolitical tensions, especially in relation to the war in Ukraine and the relationship between the United States and the People's Republic of China, could put a brake on growth, while rising interest rates in many countries could slow capital investment. In Europe, the economic landscape continues to be dogged by structural challenges such as changing demographics and flatlining productivity.

In its latest annual report on the macroeconomic situation, the German Council of Economic Experts predicts that Germany's GDP will rise slightly, by up to 1.0 percent in 2026. It attributes this moderate recovery in part to calendar effects as well as to financial packages that have been agreed. Nervous international markets will continue to hold back the export industry. The rate of inflation should drop to around 2.1 percent in 2026; it is likely to have been 2.2 percent in 2025. German companies continue to face challenges such as the shortage of skilled workers, high energy prices, and the digital transformation. However, the increased focus on green technologies and innovation could boost competitiveness in the long term, keeping the economy stable overall.

The German Insurance Association (GDV) believes that premium income in Germany could rise by around 4.8 percent across all insurance segments in 2026. As the economic outlook entails a high level of volatility, legal insurance, in particular, can give customers and

consumers peace of mind. The GDV anticipates growth of 6.0 percent in premium income in this segment in 2026. For the casualty and property insurance segment as a whole, the association is forecasting a substantial increase in premiums of 5.4 percent. In private health insurance, the experts are also projecting premium growth of 10.5 percent.

Digitalization continues to offer substantial opportunities. The integration of technologies such as artificial intelligence and machine learning mean that it is possible to set up much more efficient administrative channels and, above all, facilitate and develop customer contact, regardless of the time of day or where the parties are located. The huge volumes of data available to insurance companies allow them to perform even more precise risk assessments, offer more personalized policies, and improve their recognition of emerging trends.

The sustainable transformation of the economy and society remains one of the defining challenges for the insurance industry, along with digitalization. In terms of regulation, the insurance industry and the banking industry will play a pivotal role.

The Management Board is of the opinion that the ARAG Group, with its focus on legal insurance and health insurance, is well positioned for the future in these times of major upheaval and far-reaching global turmoil. The ARAG 5>30 development program, which the Group launched at the end of 2022, specifies five key areas of action that set out the Group's strategic direction in the period up to 2030.

In view of the current opportunities, ARAG Allgemeine believes it has a stable basis on which to be successful and profitable in 2026. The Company's continued objective is to focus on strategic core segments in its private customers business. In the sports insurance business, the Company will maintain its strategy of providing needs-based insurance cover for organizations offering recreational and high-performance sports activities.

For 2026, the Company anticipates premium growth at a slightly lower level than projected by the GDV for the overall German market. The predicted growth in premiums will result primarily from direct insurance business in Germany, specifically composite residential buildings insurance, accident insurance, and liability insurance.

Climate change means that claim figures remain volatile for non-life insurers. The last few years have clearly demonstrated time and again that storms and hurricanes are not the only natural disasters that can hit the whole of a country; natural disaster loss events can also be triggered by hail, heat waves, and rain. In terms of expenses for claims incurred, recent years have seen an extremely high level of reporting-year major claims, especially in the composite residential buildings insurance business and in accident insurance. These figures are expected to return to normal levels in 2026, and the Company anticipates a noticeably lower claims ratio before reinsurance than in 2025.

The gross cost ratio, by contrast, is expected to be on a par with 2025.

The projection for gains and losses on investments remains very uncertain, especially in view of the impact of unforeseen geopolitical events on the economy and financial markets, which is still very difficult to predict. In a persistently volatile capital market environment, gains and losses on investments are expected to deteriorate to roughly half the average net gain for the past two years (excluding any possible profit or loss transfer from the subsidiary Interlloyd).

Overall, taking into account the discernible opportunities, ARAG Allgemeine forecasts that business performance will again be positive in 2026. The Company's planning envisages that the profit after tax transferred to the parent company ARAG SE in 2026 will be similar to the level transferred in 2025. This is partly due to the anticipated additions to the equalization provision

## Risk report

### Risk management system

**Risk strategy** The objective of pursuing a conservative risk and solvency policy, as specified in the business strategy, provides the framework for the structure of the risk strategy. The risk strategy sets out the risk profile of the Group companies and the structure of the individual risk exposures associated with the strategic business objectives. It also describes the tools for ensuring compliance with the prescribed risk-bearing capacity based on the risk appetite specified by the Management Board. Risks are therefore managed in the round, ensuring at all times that the overall risk profile is consistent with the risk strategy. Risks are quantified and risk-bearing capacity is measured in line with the statutory requirements of Solvency II.

**Limit system** The maximum permitted solvency capital requirement for the Group and its affiliated companies is determined on the basis of the risk appetite and the eligible own funds. Using this maximum requirement, the responsible management boards of the individual insurance companies set an overall limit that is then apportioned to the most important risks and sub-risks. The limit system is reviewed annually. The utilization of the limits is calculated during the year so that an assessment can then be made as to whether further risks can be assumed or if risks need to be reduced. A traffic light system is used, for both risk-bearing capacity and the limits at risk category level. The system enables ARAG to monitor changes in the utilization of limits and initiate corrective measures if necessary.



**ORSA** The own risk and solvency assessment (ORSA) process verifies that the changes in the most significant individual risks over the next four financial years will remain manageable, thereby ensuring that the ARAG Group continues to meet the objective of the conservative risk and solvency policy over the long term. To this end, the ORSA process determines ARAG's overall solvency requirement and own funds for each planning year, providing an indication of the future coverage requirement. The Management Board is responsible for the annual ORSA process and takes a lead role in ensuring it is carried out.

**Independent risk control function** The independent risk control function is responsible for implementing the risk management system. This function is carried out by the Group Risk Management Central Department. Group Risk Management is separate from the operational departments with profit-and-loss responsibility up to Management Board level. The Chief Risk Officer is a member of the Management Board of ARAG SE and bears responsibility for the implementation of the risk management system in all Group companies. The system is largely implemented in the form of a risk governance model, through which rules for implementing the risk-relevant processes in the Company are defined in groupwide policies and guidelines. By reporting regularly to the Company's Management Board, the independent risk control function also ensures comprehensive transparency with regard to the risk position and any changes to the risk position.

Operating decisions about whether or not to pursue opportunities and/or take on risk are made in the units with relevant responsibility.

**Risk management process** The risk management process comprises risk identification, risk analysis, risk assessment, risk management, risk monitoring, and risk reporting.

The aim of risk identification is to identify the emergence of new risks or changes in existing risks at an early stage and to assess them using a standard procedure.

For example, risks arising in connection with the development of new markets or the launch of new products are identified, analyzed, measured, and submitted to the Management Board for decision using appropriate cross-functional review processes, such as the new-product process.

To ensure risks are assessed appropriately, the influencing factors determining the relevant exposure on the Solvency II balance sheet are analyzed. These influencing factors are validated to check that they are appropriate for the measurement of risk.

All identified risks are regularly measured. The key element in this process is the solvency capital requirement that is calculated for all downside risk. The purpose is to ensure that unexpected losses are covered. This requirement quantifies the loss from the risk exposures occurring within a specific holding period (one year) and with a specified level of probability (99.5 percent). In addition, a qualitative assessment is carried out in the ORSA process.

Operational management of risk is carried out by the managers and process owners in those departments where the risks occur. Risk management consists of implementing measures to reduce, mitigate, transfer, and diversify risks.

A key element of risk monitoring is examining changes in the risk profile over time, focusing on risk-bearing capacity and utilization of the limits. Risk monitoring takes into account the regulatory and internal requirements regarding minimum cover. The results from the risk monitoring process and the associated recommendations for action are reported to the Management Board promptly and on a continual basis. Unexpected or extreme events can also affect a company's risk profile. Ad hoc reports are submitted if this is the case.



**Internal control system** The internal control system (ICS) refers to all control and monitoring mechanisms as well as other measures that help to support the effectiveness and profitability of business activities and to identify and minimize risk at an early stage. It also ensures compliance with the applicable laws and regulations, all regulatory requirements, and internal rules.

The ARAG Group structures its ICS in accordance with the ‘three lines’ model, which the Company has adopted:

First line: The first line of defense is formed by all employees and managers in operational roles who are responsible for identifying and evaluating the risks in their area as part of the risk control process.

Second line: The monitoring of the business and central units is carried out by various interdisciplinary functions (the Group Controlling, Group Legal and Compliance, Group Risk Management, Actuarial Function, and Central IT Steering Central Departments) that specify standards for the design and monitoring of controls and the handling of risk.

Third line: Under its remit as the internal auditor for the Group companies, the Group Internal Audit Central Department conducts internal audits of the functions in the first and second lines within the ARAG Group. The Group Internal Audit Central Department is also the internal auditor for the Group companies that have contractually appointed it to this role. Following the orders issued by the Management Board, the Group Internal Audit Central Department examines the operational and organizational structure as well as the ICS for all operating and business processes from a risk perspective.

### **Risk categories**

Underwriting risk and market risk are of considerable significance for the Company, whereas counterparty default risk, liquidity risk, and operational risk are of lesser importance.

**Underwriting risk** Underwriting risk is the risk of a loss arising from inadequate pricing or inadequate assumptions used in determining underwriting liabilities. These losses result from various risk types, including:

- Premium/reserve risk: fluctuations in the timing, frequency, and severity of insured events and in the duration of claims settlement and the amount involved in relation to the premiums generated in an insurance period.
- Catastrophe risk: significant uncertainties regarding pricing and assumptions in respect of the recognition of technical provisions for extreme or exceptional events.
- Lapse risk: adverse changes in the level or volatility of the rates of insurance policy lapses and terminations.

These risks are measured using an internal model. A simulation is used to forecast a level of loss that would only be expected every 200 years (a 1 in 200 year event indicates the one-year loss anticipated with a probability of 99.5 percent). Future claims and/or required additions to reserves are calculated for premium and reserve risk on the basis of historical claims. Likewise, catastrophe and accumulation risk is assessed by simulating losses. Lapse risk is calculated on the basis of past lapse rates. The actual underwriting risk arises from the aggregation of the individual risks, taking diversification effects into account. The methodology used for the internally modelled risks is regularly reviewed using backtesting and validation tests.

The ORSA process identified events that can have a material impact on underwriting risk. They include, for example, natural disasters due to climate change and conventional policies that do not explicitly mention cyber risk but where it is insured due to it not being explicitly excluded. They also include an above-average level of claims incurred that is not offset by premium adjustments and can lead to reduced profitability.

The effects of these events are managed by making adjustments in product design and underwriting. Important measures implemented to restrict the risks include risk limits and a reinsurance program. The program focuses on insuring the risk from large claims and accumulation losses related to natural disasters through non-proportional reinsurance treaties. There are also facultative reinsurance arrangements for large risks and special risks.

The consistency of the insurance business and the adequacy of the claims provisions at all times can be seen in the following disclosures on the changes in the claims ratio for the entire direct insurance business over the last ten financial years.

#### Changes in claims ratio

Financial year (%)	Claims ratio, gross, total		Profit/loss on settlements
	FY ratio	Financial statements	% of initial reserve
<b>2025</b>	<b>61.7</b>	<b>52.9</b>	<b>7.7</b>
2024	64.4	64.2	0.2
2023	59.8	51.4	7.2
2022	58.3	49.4	7.6
2021	66.7	59.6	6.1
2020	55.0	49.2	4.6
2019	61.9	55.1	5.5
2018	63.3	59.9	2.8
2017	62.3	59.4	2.5
2016	57.9	51.9	4.9

**Market risk** Market risk is the risk of loss due to adverse changes to market prices of assets, liabilities, and financial instruments. The risk arises directly or indirectly from the following sub-risks:

- Interest-rate risk: changes in the term structure or volatility of interest rates. For example, an assumed increase or decrease of 1 percentage point in the general level of interest rates would increase or decrease the fair value of the fixed-income securities by approximately €14,151 thousand.
  - Equity risk: changes in the level or volatility of the market prices of equities. For example, an assumed fall in equities markets of 20.0 percent would cause a loss in fair value of €14,188 thousand.
  - Property risk: changes in the level or volatility of the market prices of real estate.
  - Currency risk: changes in the level or volatility of exchange rates.
  - Spread risk: changes in the level or volatility of credit spreads over the risk-free interest-rate term structure.
  - Migration/default risk: rating changes or changes in the extent of projected defaults.
- The breakdown of interest-bearing investments by rating is as follows:

#### Rating class (direct investment and funds)

(Proportion [%] by fair value)	Dec. 31, 2025
AAA	22.0%
AA	13.7%
A	36.1%
BBB	20.3%
BB	4.5%
B	2.7%
CCC	0.6%
CC	0.0%
C	0.0%
D	0.0%
Not rated	0.1%

The breakdown of fixed-income securities is as follows (fair values): Of the fixed-income securities – including securities held indirectly through institutional funds – 35.7 percent are accounted for by financial services entities, 34.0 percent by corporate bonds, and 30.3 percent by public-sector bonds.

These risks are measured with an internal model. An economic scenario generator is used to simulate capital market scenarios looking at factors such as interest rates, share prices, real estate prices, credit spreads, credit ratings/defaults, and exchange rates. These risk factors are used to determine the possible fair values of investments in one year's time. The market risk itself results from the 1 in 200 year event considering all risk factors simultaneously, and from concentration risk, taking diversification effects into account. The methodology used for the internally modelled risks is regularly reviewed using backtesting and validation tests.

The ORSA process identified events that can have a material impact on market risk. They include corrections in the financial markets, the impact of climate change on investments, and negative changes in investments due to the escalation of geopolitical conflicts.

At strategic level, risk is limited by virtue of the fact that market risk limits are taken into account when determining the strategic asset allocation each year. An annual review of the asset/liability management (ALM) situation also ensures that these risk mitigation measures remain effective over the long term. Operational measures to mitigate risk are set out in the investment guidelines.

**Counterparty default risk** Counterparty default risk in the insurance business largely arises in connection with receivables from reinsurers and receivables from policyholders and insurance brokers. It is the downside risk arising from the unexpected default or deterioration in the credit standing of counterparties and debtors during the next twelve months.

Counterparty default risk is measured with the partial internal model. The risk of default on receivables from reinsurers is measured on the basis of the information available and proportionality considerations. The counterparties' individual credit ratings are explicitly used. To measure the risk of default on receivables from policyholders and insurance brokers, a constant factor is applied to the fair value of the relevant exposures on the Solvency II balance sheet.

The measures implemented to limit risk include requirements in respect of the selected reinsurers (such as a minimum rating) and an automated procedure for issuing reminders to recover receivables due from policyholders.

The amount of the receivables due from reinsurers, broken down by external ratings, can be found in the notes to the financial statements. As of the balance sheet date, receivables from policyholders more than 90 days past due amounted to €4,368 thousand (December 31, 2024: €3,693 thousand). The average default rate for these receivables over the last three years as of December 31, 2025 was 0.5 percent (December 31, 2024: 0.5 percent).

**Liquidity risk** Liquidity risk is the risk that insurance companies are unable to realize investments and other assets in order to settle their financial obligations when they fall due. Liquidity risk is therefore a derived risk: It is a type of investment risk (assets are not liquid) and a type of underwriting risk (insurance benefits due for payment may exceed available liquidity).

Liquidity risk is measured by calculating the monthly excess liquidity cover or liquidity shortfall on a rolling basis. Liquidity planning is updated constantly so that ARAG has early warning of whether it will require liquidity in the coming months. ALM is used to determine the liquidity requirement over the medium to long term.

Risk limitation measures include ALM and rolling liquidity planning.

**Operational risk** Operational risk is the risk arising from inadequate or failed internal processes or systems, employee misconduct, or unexpected external events that disrupt or even prevent business operations. Operational risk also encompasses legal risk and reputational risk but does not include risks arising from strategic decisions.

The Company uses the standard formula to determine the appropriate solvency capital requirement. Measurement for operational purposes is carried out using an expert assessment on the basis of two dimensions: probability of occurrence and impact. The probability of occurrence describes the likelihood that an operational risk will materialize within a defined period. The second dimension describes the potential impact of the occurrence of an operational risk and is measured in quantitative or qualitative terms. The gross and net values are recorded for each dimension. The gross values are the values before implementation of possible measures to mitigate the risk; the net values are the values after implementation of the chosen measures. Risk limitation measures are specified by the managers concerned on a case-by-case basis. When identifying and evaluating operational risks, the risk managers consider known loss events that are recorded in a loss database. This contains data on all loss events that have occurred and their actual impact. Consequently, the plausibility of subjective estimates can be tested.

The ORSA process identified events that can have a material impact on operational risk. They include cyberattacks, the unavailability of outsourced IT services, the failure of critical infrastructure, or risks of a legal nature. Mounting regulations and a potential resulting rise in bureaucracy may tie up resources in the operating business. Penetration (PEN) tests are carried out to prevent cyberattacks. The selection procedure for IT service providers involves due diligence, an extensive risk assessment, the definition of an exit strategy, and permanent monitoring. ARAG is a non-systemically important entity and has contingency plans in place to maintain operations in the event of critical infrastructure failures. To reduce risks of a legal nature, extensive legislative monitoring has been established in order to identify changes at the earliest opportunity. In addition, internal training is held regularly in order to avoid violations of the law.

**Strategic risk** Strategic risk arises from strategic business decisions, including business decisions that have not been adapted in line with changes in the economic environment. Such changes include the shortage of skilled workers. Furthermore, the increasing use of artificial intelligence by competitors may also have a negative impact on existing and new business.

Risk limitation measures are agreed in line with the specific risk. These include measures to retain skilled workers, such as an appropriate remuneration structure and schemes to support high-potential and high-performing employees. The use of strategy-based AI projects and use cases increases the competitiveness of the business model.

#### **Overall risk position**

The regulatory minimum capital requirement in accordance with the provisions of the German Insurance Supervision Act (VAG) is met in full. The Solvency II coverage ratio of 200.2 percent shows that the eligible own funds are higher than the solvency capital requirement calculated in accordance with VAG. The Solvency II coverage ratio is not included in the audit of the financial statements.

Over a planning period of three years, the risks of an increase in the combined ratio and of climate change were assessed for investments and underwriting business. The impact on investments was also quantified in line with the 2025 stress test defined by the European Insurance and Occupational Pensions Authority (EIOPA). The outcome showed that the solvency capital requirement will be sufficiently covered for the next three years of the plan.

The overall risk position does not currently point to any trends that could jeopardize the continued existence of the Company as a going concern or cause a significant negative impact on net assets, financial position, or results of operations.



# Financial Statements



# I. Balance Sheet

## Balance sheet as of December 31 – assets

(€)	Dec. 31, 2025	Dec. 31, 2024
<b>A. Intangible assets</b>		
I. Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets	0.00	0.00
II. Goodwill	1,512,025.00	1,897,499.00
	<b>1,512,025.00</b>	<b>1,897,499.00</b>
<b>B. Investments</b>		
I. Land, land rights and buildings, including buildings on third-party land	0.00	0.00
II. Investments in affiliated companies and equity investments		
1. Shares in affiliated companies	41,822,089.50	44,776,896.47
	41,822,089.50	44,776,896.47
III. Miscellaneous investments		
1. Equities, investment fund shares/units, and other variable-yield securities	158,885,750.10	163,505,145.12
2. Bearer bonds and other fixed-income securities	122,053,118.08	96,338,082.59
3. Loans secured by mortgages or land charges and fixed-income receivables	0.00	0.00
4. Miscellaneous lending		
a) Registered bonds	34,500,000.00	44,500,000.00
b) Promissory notes and loans	7,990,100.00	12,990,100.00
	42,490,100.00	57,490,100.00
5. Bank deposits	773,390.77	90,364.24
	324,202,358.95	317,423,691.95
	<b>366,024,448.45</b>	<b>362,200,588.42</b>



**Balance sheet as of December 31 – assets**

(€)	Dec. 31., 2025	Dec. 31., 2024
<b>C. Receivables</b>		
I. Receivables from direct insurance business		
1. from policyholders	7,856,030.27	7,179,293.50
of which from affiliated companies: €0.00 (Dec. 31., 2024: €0.00)		
2. from insurance brokers	4,996,997.33	6,713,088.15
of which from affiliated companies: €0.00 (Dec. 31., 2024: €0.00)		
	12,853,027.60	13,892,381.65
II. Receivables from reinsurance business	1,581,746.95	1,453,375.11
of which from affiliated companies: €0.00 (Dec. 31., 2024: €0.00)		
III. Miscellaneous receivables	30,861,658.73	13,050,571.96
of which from affiliated companies: €30,648,552.22 (Dec. 31., 2024: €12,813,002.49)		
	<b>45,296,433.28</b>	<b>28,396,328.72</b>
<b>D. Miscellaneous assets</b>		
I. Property and equipment and inventories	96,030.00	85,898.00
II. Current bank balances, checks and cash on hand	3,177,285.07	9,197,454.50
III. Other assets	82,218.77	20,770.31
	<b>3,355,533.84</b>	<b>9,304,122.81</b>
<b>E. Prepaid expenses and accrued income</b>		
I. Accrued interest and rent	1,709,730.72	1,390,178.94
II. Miscellaneous prepaid expenses and accrued income	134,151.08	106,335.94
	<b>1,843,881.80</b>	<b>1,496,514.88</b>
<b>Total assets</b>	<b>418,032,322.37</b>	<b>403,295,053.83</b>



### Balance sheet as of December 31 – equity and liabilities

(€)	Dec. 31, 2025	Dec. 31, 2024
<b>A. Equity</b>		
I. Subscribed capital	44,000,000.00	44,000,000.00
II. Capital reserves	25,490,518.89	10,490,518.89
III. Revenue reserves		
1. Statutory reserves	743,744.95	743,744.95
2. Other revenue reserves	88,641.88	88,641.88
	832,386.83	832,386.83
IV. Net retained profit	0.00	0.00
	<b>70,322,905.72</b>	<b>55,322,905.72</b>
<b>B. Technical provisions</b>		
I. Unearned premiums		
1. Gross amount	31,984,810.85	31,185,205.37
2. less: portion for outward reinsurance business	- 182,311.28	- 146,070.99
	31,802,499.57	31,039,134.38
II. Actuarial reserve		
1. Gross amount	10,438.00	11,743.00
2. less: portion for outward reinsurance business	0.00	0.00
	10,438.00	11,743.00
III. Provision for outstanding claims		
1. Gross amount	250,485,461.05	252,514,442.56
2. less: portion for outward reinsurance business	- 30,422,391.16	- 32,905,056.53
	220,063,069.89	219,609,386.03
IV. Equalization provision and similar provisions	37,275,365.00	31,559,732.97
V. Miscellaneous technical provisions		
1. Gross amount	1,622,983.33	1,335,609.35
2. less: portion for outward reinsurance business	0.00	0.00
	<b>1,622,983.33</b>	<b>1,335,609.35</b>
	<b>290,774,355.79</b>	<b>283,555,605.73</b>



### – Balance sheet as of December 31 – equity and liabilities

(€)	Dec. 31, 2025	Dec. 31, 2024
<b>C. Other provisions</b>		
I. Provisions for pensions and other post-employment benefits	34,339,977.00	35,823,941.00
II. Provisions for taxes	12,585.35	207,975.42
III. Miscellaneous provisions	4,467,739.05	4,268,055.11
	<b>38,820,301.40</b>	<b>40,299,971.53</b>
<b>D. Other liabilities</b>		
I. Liabilities from direct insurance business to		
1. policyholders	8,424,777.31	7,327,350.81
2. insurance brokers	435,241.44	712,195.41
of which to affiliated companies: €0.00 (Dec. 31, 2024: €0.00)		
	8,860,018.75	8,039,546.22
II. Liabilities from reinsurance business	2,930,265.52	2,777,190.79
of which to affiliated companies: €1,710,766.57 (Dec. 31, 2024: €1,821,997.81)		
III. Miscellaneous liabilities	6,324,475.19	13,299,833.84
of which tax liabilities: €2,325,321.89 (Dec. 31, 2024: €2,790,426.69)		
of which social security liabilities: €0.00 (Dec. 31, 2024: €0.00)		
of which to affiliated companies: €3,778,559.73 (Dec. 31, 2024: €10,343,234.66)		
	<b>18,114,759.46</b>	<b>24,116,570.85</b>
<b>Total equity and liabilities</b>	<b>418,032,322.37</b>	<b>403,295,053.83</b>

As of December 31, 2025, the actuarial reserve amounted to €37,824,996.00 for annuities from general accident insurance, €421,069.00 for annuities from general liability insurance, and €1,844,822.00 for annuities from motor liability insurance. It is confirmed that the actuarial reserves recognized in line items B. II. 1. and B. III. 1. on the equity and liabilities side of the balance sheet have been calculated in accordance with sections 341f and 341g of the German Commercial Code (HGB) and in accordance with the statutory regulation enacted on the basis of section 88 (3) of the German Insurance Supervision Act (VAG).

Düsseldorf, January 23, 2026

The appointed actuary  
Kathrin Khelaifia, Dipl.-Wirtschaftsmathematikerin  
(Graduate in Business Mathematics)

## II. Income Statement

### Income statement for the period from January 1 to December 31

(€)	2025	2024
<b>I. Underwriting account</b>		
1. Premiums earned net of reinsurance		
a) Gross premiums written	236,402,588.47	224,991,038.09
b) Reinsurance premiums ceded	- 10,503,855.12	- 9,981,449.36
	225,898,733.35	215,009,588.73
c) Change in gross unearned premiums	- 799,605.48	- 580,244.89
d) Change in reinsurers' share of gross unearned premiums	36,240.29	49,947.59
	- 763,365.19	- 530,297.30
	<b>225,135,368.16</b>	<b>214,479,291.43</b>
2. Technical interest income net of reinsurance	<b>432,365.00</b>	<b>115,194.00</b>
3. Miscellaneous underwriting income net of reinsurance	<b>536,048.34</b>	<b>508,105.92</b>
4. Claims incurred net of reinsurance		
a) Payments for claims		
aa) Gross amount	128,254,289.79	123,516,499.30
bb) Reinsurers' share	- 6,744,076.35	- 3,936,435.99
	121,510,213.44	119,580,063.31
b) Change in provision for outstanding claims		
aa) Gross amount	- 2,008,332.58	17,921,245.54
bb) Reinsurers' share	2,482,665.37	- 6,808,236.87
	474,332.79	11,113,008.67
	<b>121,984,546.23</b>	<b>130,693,071.98</b>
5. Change in sundry net technical provisions	<b>- 286,068.98</b>	<b>43,700.88</b>
6. Expenses for performance-based and non-performance-based bonuses and rebates net of reinsurance	<b>0.00</b>	<b>0.00</b>
7. Insurance business operating expenses net of reinsurance		
a) Gross insurance business operating expenses	102,566,530.47	96,569,986.03
b) less: commissions received and profit sharing received from outward reinsurance business	- 966,258.17	- 1,213,499.85
	<b>101,600,272.30</b>	<b>95,356,486.18</b>
8. Miscellaneous underwriting expenses net of reinsurance	<b>1,838,407.80</b>	<b>1,503,210.54</b>

**Income statement for the period from January 1 to December 31**

(€)	2025	2024
<b>9. Subtotal</b>	<b>394,486.19</b>	<b>- 12,406,476.47</b>
10. Change in the equalization provision and similar provisions	- 5,715,632.03	8,789,665.03
<b>11. Underwriting result net of reinsurance</b>	<b>- 5,321,145.84</b>	<b>- 3,616,811.44</b>
<b>II. Non-underwriting account</b>		
1. Income from investments		
a) Income from equity investments	3,141,701.76	4,685,034.79
of which from affiliated companies: €3,141,701.76 (2024: €4,685,034.79)		
b) Income from other investments		
of which from affiliated companies: €0.00 (2024: €0.00)		
aa) Income from other investments	3,962,472.90	3,409,314.66
	3,962,472.90	3,409,314.66
c) Income from reversals of write-downs	21,140.00	4,950.00
d) Gains on the disposal of investments	6,514,010.70	5,406,123.46
e) Income from profit-pooling, profit-transfer and partial profit-transfer agreements	0.00	2,684,303.08
	13,639,325.36	16,189,725.99
2. Expenses for investments		
a) Expenses for the management of investments, interest expense and similar charges and other expenses for investments	1,527,412.78	1,509,091.25
b) Depreciation, amortization and write-downs of investments	343,230.21	83,890.72
c) Losses on the disposal of investments	2,840.00	10,597.15
d) Expenses from the transfer of losses	1,868,632.25	0.00
	3,742,115.24	1,603,579.12
3. Technical interest income	432,365.00	115,194.00
	<b>9,464,845.12</b>	<b>14,470,952.87</b>
4. Other income	3,738,655.52	4,094,463.19
of which from currency translation: €0.00 (2024: expense of €454.98)		
5. Other expenses	6,794,425.96	6,041,352.86
of which from currency translation: €4,583.98 (2024: €0.00)		
	<b>- 3,055,770.44</b>	<b>- 1,946,889.67</b>
<b>6. Profit/loss from ordinary activities</b>	<b>1,087,928.84</b>	<b>8,907,251.76</b>





**Income statement for the period from January 1 to December 31**

(€)	2025	2024
7. Extraordinary income	0.00	0.00
8. Extraordinary expenses	0.00	0.00
<b>9. Net extraordinary income/expense</b>	<b>0.00</b>	<b>0.00</b>
10. Income taxes	- 65,679.07	223,184.27
11. Miscellaneous taxes	3,198.03	3,383.48
	<b>- 62,481.04</b>	<b>226,567.75</b>
12. Income from the transfer of losses	0.00	0.00
13. Profits transferred under a profit-pooling, profit-transfer or partial profit-transfer agreement	<b>1,150,409.88</b>	<b>8,680,684.01</b>
<b>14. Net income for the year</b>	<b>0.00</b>	<b>0.00</b>



## Notes to the Financial Statements

### III. General Disclosures

ARAG Allgemeine Versicherungs-AG is entered in the commercial register of the Düsseldorf local court under the number HRB 10418. Its registered office is ARAG Platz 1, 40472 Düsseldorf, Germany.

The Company prepared these financial statements for 2025 in accordance with the requirements of the German Commercial Code (HGB) for large corporations. When preparing the financial statements, it also took into account the supplementary provisions applicable to corporations and the additional provisions applicable to insurance companies, the German Insurance Supervision Act (VAG), and the German Regulation on the Accounting of Insurance Undertakings (RechVersV).

Due to currency amounts being presented in thousands, the precise mathematical amounts may differ from those presented as a result of rounding differences. Those differences may affect totals and percentages.

The financial statements are presented on the basis of financial statement forms 1 and 2 pursuant to section 2 RechVersV. The Company is a large corporation within the meaning of section 267 (3) HGB. Therefore, and pursuant to the obligations under section 341a (1) HGB, the accounting rules for large corporations were applied.

### IV. Disclosures on Accounting Policies

The single-entity financial statements of the entities included in the consolidated financial statements are nearly all prepared in accordance with the same accounting policies used by the ARAG Group. The following accounting principles and valuation requirements arising from the pertinent legislation are applied.

#### Accounting policies

##### Intangible assets

Purchased intangible assets are recognized at cost on the balance sheet and reduced by straight-line amortization according to their estimated useful life.

##### Goodwill

These assets are the goodwill – resulting from the new branch established in the Republic of Ireland in 2019 and an associated portfolio transfer – that will be amortized on a straight-line basis over its expected useful life, calculated by the Company to be ten years.

No internally generated intangible assets were recognized on the balance sheet.

### **Investments in affiliated companies and equity investments**

Investments in affiliated companies and equity investments are valued at cost, written down accordingly where permanent impairment has occurred.

### **Equities, investment fund shares/units, and other variable-yield securities**

Securities that have been classified as current assets are valued following the strict principle of lower of cost or market value. If the reasons for a write-down cease to apply, the write-down is reversed to the lower of cost or fair value.

If investments are classified for permanent use in business operations, short-term fluctuations in the market price do not result in changes to the carrying amount due to application of the discretionary principle of lower of cost or market value. Only long-term changes in fair value are recognized.

The long-term fund value is calculated by looking through to the individual components of the fund. Criteria for reviewing long-term changes in the value of fixed-income securities are their credit rating and nominal amount. Comparisons with historical valuation parameters are used for equities. For shares in affiliated companies, in infrastructure investments, and in real estate investments, expert appraisals are obtained from the investment management companies based on the net asset value (NAV) for the quarter prior to the reporting date.

### **Bearer bonds and other fixed-income securities**

Contrary to the principle set forth in section 341b (2) HGB and unless stated otherwise, bearer bonds and other fixed-income securities are treated as fixed assets and therefore

the discretionary principle of lower of cost or market value is used. The strict principle of lower of cost or market value is applied to securities without a rating. A write-down to less than the nominal value is considered permanent if there has been a material deterioration in the issuer's credit rating. An indicator of this is if the credit rating has been downgraded by two or more notches since acquisition. If contractually defined payments are in default, permanent impairment can be assumed. The write-down to fair value is determined using the maturity-dependent probability of default in conjunction with the loss given default. The fair value is used for subsequent measurement until such time as the reason for the write-down no longer applies. If securities are acquired above or below par and held to maturity, the difference between this amount and the nominal value forms a component of cost. It is posted together with the security but treated separately. The difference (a premium or a discount) is amortized over the term of the bearer bond using the effective interest method.

### **Registered bonds**

Registered bonds are accounted for at their nominal or redemption amount. Any premiums to be accrued and discounts to be deferred are reclassified to income using the straight-line method over the term to maturity. Any zero-coupon registered bonds are recognized at the lower of amortized cost or fair value.

### **Promissory notes and loans, and sundry lending**

Promissory notes, loans, and sundry lending items are recognized at cost unless permanently impaired. Premiums and discounts are taken into account using the effective interest method.

### **Bank deposits**

Bank deposits are recognized at their nominal amount.

Investments are individually assigned to the business units (headquarters and branches). The assignment is documented by recording the investments in the relevant books of the business unit concerned. Income from investments is allocated to each business unit according to the assignment of the investment in question. Assignments are reviewed annually using the modified capital allocation approach determined by the German tax authorities – which has been approved by the Organisation for Economic Co-operation and Development (OECD) – and adjusted by means of compensatory payments where necessary.

### **Receivables from policyholders**

Receivables from direct insurance business are generally recognized at their nominal amount. Where necessary, receivables from policyholders are written down or are reduced by specific allowances or by a general allowance on the basis of exceeding a predefined due date.

### **Receivables from insurance brokers**

Receivables from insurance brokers are reduced by specific allowances and, where applicable, a general allowance in the amount of the likely default.

### **Receivables from reinsurance business**

Receivables from reinsurance business are recognized at the amount of the outstanding balances.

### **Miscellaneous receivables**

These receivables are generally recognized at their nominal amount.

### **Property and equipment and inventories**

Property and equipment is recognized at cost and depreciated on a straight-line basis over the standard operating useful life.

### **Current bank balances, checks and cash on hand**

Current bank balances, checks, and cash on hand are recognized at cost. This equates to the nominal amount. Balances are documented in the form of bank statements and cash records. Payment orders that have been issued but not executed as of the reporting date are deducted from the balances for the purposes of the carrying amounts reported on the balance sheet.

Bank balances denominated in foreign currency are translated using the middle spot rate as of the reporting date, disregarding both historical cost convention and the realization principle.

### **Other assets**

Other assets are recognized at their nominal amount, which equates to their cost.

### **Prepaid expenses and accrued income**

Prepaid expenses and accrued income are recognized at nominal value and mainly consist of rights to interest that are not yet due in respect of the income period before the balance sheet date and premiums in connection with registered bonds.

### **Deferred tax assets and liabilities**

If differences arise between the carrying amounts in the HGB financial statements and those in the tax base and these differences are expected to reverse in subsequent years, deferred taxes are recognized in respect of these differences using the entity-specific tax rate. Deferred taxes are calculated by netting the deferred tax assets with the deferred tax liabilities.

In accordance with section 274 HGB, deferred taxes are recognized as the balance of temporary differences between the carrying amounts in the HGB financial statements and those in the tax base. Deferred tax assets mainly result from investments (especially

equities and investment fund shares/units) and differences in the valuation of provisions for pensions and other post-employment benefits. Deferred tax liabilities predominantly arise from differences in special and additional write-downs of equity investments and fixed-income securities as well as from differences in the recognition of miscellaneous receivables.

In light of the German Act for an Immediate Tax Investment Program to Strengthen Germany as a Business Location in conjunction with the gradual reduction in corporate income tax from 2028, the tax rates used to calculate deferred taxes in accordance with HGB were adjusted accordingly. Tax rates of between 1.56 percent and 31.25 percent were used.

As ARAG Allgemeine and ARAG SE form a single entity for corporation tax, trade tax, and VAT purposes, the deferred taxes are recognized at the level of the tax group parent.

### **Equity**

The Company's share capital is reported as subscribed capital. The capital reserves consist of capital receipts from external sources that are not derived from its earnings. The revenue reserves comprise the statutory reserves and the other revenue reserves. When single-entity financial statements are prepared following appropriation of some of the net income by the Management Board, the net retained profit comprises the balance of net income for the year, profit or loss carried forward from the previous year, and changes in other revenue reserves.

### **Unearned premiums**

Gross unearned premiums for direct insurance business are calculated pro rata on the basis of the premiums and lapses/cancellations posted, less the installment surcharges. The non-transferable income components are deducted from the unearned premiums.

The gross unearned premiums for inward reinsurance business are recognized in accordance with the information provided by the primary insurer.

The reinsurers' share of the unearned premiums is determined in accordance with the contractual agreements.

### **Actuarial reserve**

The components of premiums from anticipated premium-free children's accident insurance policies are added to the children's accident actuarial reserves. The calculation is carried out using mathematical principles in accordance with the underwriting business plan.

### **Provision for outstanding claims**

The provision for outstanding claims in relation to direct insurance business is recognized separately by event year for claims reported in the financial year concerned and for claims that have occurred up to the balance sheet date but have not yet been reported. The provision for outstanding claims is generally determined individually and measured according to specific requirements.

If there is a high number of open claims with similar risks, group-based valuation approaches are used if individual valuation would be difficult or involve a disproportionate amount of effort.

General provisions are recognized for claims incurred but not reported and reopened claims on the basis of empirical values.

The benefit reserve for annuities contained in the provision for outstanding claims is calculated individually using actuarial principles and in accordance with the Regulation on the Principles Underlying the Calculation of the Premium Reserve (DeckRV), taking the expenses required for settlement into account.

A provision for claim settlement expenses is recognized. This provision is valued in accordance with prudent business practice, taking into account the ongoing need to satisfy the obligations under insurance contracts. Valuation is based on values as of the balance sheet date.

The claims provisions for inward reinsurance business are recognized in accordance with the information provided by the primary insurer. If the information from the primary insurer is clearly insufficient, additional reserves are recognized. They are estimated using actuarial forecasting methods.

The portions relating to outward reinsurance business are calculated in accordance with the stipulations in the reinsurance treaties.

### **Equalization provision**

The equalization provision for the direct insurance and inward reinsurance business is recognized and valued in accordance with section 341h HGB in conjunction with section 29 RechVersV. For the annual adjustment amounts, the calculated equalization provision is allocated between the Company headquarters and the branches according to gross premiums earned in each class of insurance.

The calculation is carried out separately for the direct insurance business and for the inward reinsurance business, in each case broken down by class of insurance.

### **Miscellaneous technical provisions**

Miscellaneous technical provisions are recognized in the required settlement amount determined in accordance with prudent business practice. Miscellaneous technical provisions with a maturity of more than one year are discounted using the discount rate published by Deutsche Bundesbank for their term to maturity.

The lapse provision (reported under miscellaneous technical provisions) for discontinuation and reduction of risk in direct insurance business was calculated using a lapse rate based on empirical values in the year under review.

Following the annual review, a provision for anticipated losses as required by section 341e (2) no. 3 HGB had to be recognized for emergency assistance insurance in 2025. The provision required for this division for 2025 came to €329 thousand (December 31, 2024: €0 thousand). In the composite residential buildings insurance business, the review indi-

cated that the provision for anticipated losses was able to be reversed (December 31, 2024: €38 thousand).

The provision recognized for premium waivers relates to rate scales under which the obligation to pay the premiums is waived for up to five years, e.g. in the event of unemployment. The provision offsets the expenses that are likely to be incurred (claims, costs, commissions) during the period of unemployment. The expected duration of the waiver of premiums is estimated on the basis of internal statistical analysis. The provision for assistance for victims of traffic accidents is, where available, recognized on the basis of the share specified by the German Road Casualty Support Organization, otherwise on the basis of empirical values.

The technical provisions in inward reinsurance business are recognized in the amount of the premiums ceded by the primary insurer.

The reinsurers' share of technical provisions is determined in accordance with the relevant contracts.

### **Provisions for pensions and other post-employment benefits**

Provisions for pensions and other post-employment benefits are calculated using actuarial principles in accordance with the projected unit credit (PUC) method on the basis of the Heubeck 2018 G mortality tables.

In addition to current circumstances, future trends in salaries, pensions, and staff turnover are taken into account. The discount rate used is the average interest rate for the past ten years published by Deutsche Bundesbank in accordance with the Regulation on the Discounting of Provisions (RückAbzinsV) for an assumed residual maturity of 15 years. In 2024 and 2025, a discount rate was applied for the valuation as of December 31 based on the average for the past ten years. This rate as of the reporting date was 2.05 percent (December 31, 2024: 1.90 percent). The interest rate used was forecast at the end of the year using market data as of October 1, 2025 and was determined in accordance with RückAbzinsV.

As of December 31, 2025, the difference between the application of the ten-year average and the seven-year average (2.21 percent; December 31, 2024: 1.97 percent) caused an increase in the provision for pensions and other post-employment benefits of €666 thousand (December 31, 2024: increase of €318 thousand).

The following actuarial parameters were used to calculate the obligations: pension age: earliest possible age under the German Pension Age Reform Act (RVAGAnpG); annual increase in salaries: 2.50 percent; annual increase in pension benefits: 2.10 percent. The level of staff turnover taken into account reflects the generally observable age-dependent average for the industry and has only a minor impact on the settlement value.

Assets from reinsurance (plan assets) are offset against the defined benefit obligation. The fair value of the assets corresponds to the settlement amount of the offset liabilities.

The option pursuant to section 28 (1) of the Introductory Act to the German Commercial Code (EGHGB), which permits provisions for pensions and other post-employment benefits not to be recognized for legacy entitlements, has not been exercised. The addition of interest is recognized under net interest income/expense pursuant to section 277 (5) sentence 1 HGB. By contrast, expenses and income from changes in the discount rate are recognized in expenses for pension and other post-employment benefits.

#### **Provisions for taxes**

Provisions for taxes are recognized in the anticipated settlement amount determined in accordance with prudent business practice.

#### **Miscellaneous provisions**

The miscellaneous provisions are generally recognized in the amount that is necessary to settle the obligation according to prudent business practice. Their residual maturity is generally less than one year.

Miscellaneous provisions with a maturity of more than one year are discounted using the discount rate published by Deutsche Bundesbank for their term to maturity.

Specific accounting policies are applied to the following key miscellaneous provisions:

#### **Provisions for pre-retirement part-time employment agreements**

In 2025, a provision in accordance with the pre-retirement part-time employment agreement for the private insurance industry was recognized – in line with the relevant IDW accounting principle – using a maturity-matched discount rate of 2.21 percent (2024: 1.97 percent). Credit balances on employee working hours account models are protected against insolvency in accordance with the German Pre-Retirement Part-Time Employment Act (AltTZG) by means of a fixed liability guarantee from a German commercial bank.

#### **Long-service provision**

A long-service provision was recognized in the year under review for long-service awards to be paid to employees. The provision was calculated using the PUC method taking into account death rates pursuant to the Heubeck 2018 G mortality tables and applying a discount rate of 2.21 percent (seven-year average; 2024: 1.97 percent) in accordance with section 253 (2) HGB. The calculation also included staff turnover at an average rate of 1.50 percent and salary increases at a rate of 2.50 percent. The earliest possible pension age under RVAGAnpG was selected as the final age.

#### **Other liabilities**

The liabilities from direct insurance business and the liabilities from reinsurance business are valued at their nominal amount in euros. All non-interest-bearing liabilities are valued at the higher of their nominal amount or settlement value. Miscellaneous liabilities are recognized at their settlement value.



### **Currency translation**

Receivables and liabilities that are due in less than one year and denominated in foreign currency are recognized using the middle spot rate as of the reporting date, disregarding both the historical cost convention and the realization principle.

Income and expenses are recognized using the transaction exchange rate on the date of the relevant inflow or outflow.

## **Fair value disclosures pursuant to section 54 RechVersV**

### **Fair values for investments in affiliated companies and equity investments**

The shares and equity investments are generally valued using the income capitalization approach.

If equity investments and shares are acquired close to the reporting date, the carrying amount is used as the fair value.

### **Fair values for equities, investment fund shares/units, bearer bonds, and other fixed-income securities**

The fair value of publicly traded investment fund shares/units is based on the quoted market price as of the reporting date.

For institutional investment fund shares/units, the fair value is determined in a fund look-through. Equities within the funds are recognized at their quoted market price, whereas fixed-income securities within the funds are recognized at their market value. The fair value of publicly traded investment fund shares/units is based on the quoted market price as of the reporting date.

Shares/units in infrastructure funds, real estate funds, and private-equity funds are recognized at their reported NAVs.

The fair values of fixed-income securities are determined using their quoted market prices and the valuation method for this balance sheet line item described above.

### **Fair values of miscellaneous investments**

The market values of securities that are not exchange-traded (registered bonds, promissory notes) are calculated on the basis of the swap curve. This involves determining the discount rate on the swap curve corresponding to the maturity of the security being valued. Any spreads resulting from the structure of the individual security (maturity, collateral, credit rating, etc.) are taken into account as appropriate. The remaining investments are recognized at quoted market price or market value.

### **Fair values broken down by asset class**

The fair values broken down by asset class are shown under 'Balance Sheet Disclosures – Assets' in the notes to the financial statements.

## V. Balance Sheet Disclosures – Assets

### Changes in asset items A., B., I. to III. in the reporting year

(€'000)	Carrying amount Dec. 31, 2024	Currency translation differences	Additions	Disposals	Reclassi- fications	Reversals of write-downs	Write-downs	Carrying amount Dec. 31, 2025	Fair value pursuant to sec. 54 RechVersV	Hidden reserve/ undisclosed liability Dec. 31, 2025
<b>A. Intangible assets</b>										
I. Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets	0	0	0	0	0	0	0	0	0	0
II. Goodwill	1,898	0	0	0	0	0	385	1,512	1,512	0
<b>Total for A.</b>	<b>1,898</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>385</b>	<b>1,512</b>	<b>1,512</b>	<b>0</b>
<b>B. I. Land, land rights and buildings, including buildings on third-party land</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>II. Investments in affiliated companies and equity investments</b>										
1. Shares in affiliated companies	44,777	0	10,552	13,506	0	0	0	41,822	72,534	30,712
<b>Total for B. II.</b>	<b>44,777</b>	<b>0</b>	<b>10,552</b>	<b>13,506</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>41,822</b>	<b>72,534</b>	<b>30,712</b>
<b>III. Miscellaneous investments</b>										
1. Equities, investment fund shares/units, and other variable-yield securities	163,505	0	13,686	17,997	0	0	308	158,886	209,662	50,776
2. Bearer bonds and other fixed-income securities	96,338	0	28,731	3,002	0	21	35	122,053	118,442	-3,612
3. Loans secured by mortgages or land charges and fixed-income receivables	0	0	0	0	0	0	0	0	0	0
4. Miscellaneous lending										
a) Registered bonds	44,500	0	5,000	15,000	0	0	0	34,500	31,688	-2,812
b) Promissory notes and loans	12,990	0	0	5,000	0	0	0	7,990	7,772	-218
5. Bank deposits	90	-33	716	0	0	0	0	773	773	0
<b>Total for B. III.</b>	<b>317,424</b>	<b>-33</b>	<b>48,134</b>	<b>41,000</b>	<b>0</b>	<b>21</b>	<b>343</b>	<b>324,202</b>	<b>368,337</b>	<b>44,134</b>
<b>Total for B.</b>	<b>362,201</b>	<b>-33</b>	<b>58,685</b>	<b>54,506</b>	<b>0</b>	<b>21</b>	<b>343</b>	<b>366,024</b>	<b>440,870</b>	<b>74,846</b>
<b>Total</b>	<b>364,098</b>	<b>-33</b>	<b>58,685</b>	<b>54,506</b>	<b>0</b>	<b>21</b>	<b>729</b>	<b>367,536</b>	<b>442,382</b>	<b>74,846</b>

## Investments in affiliated companies and equity investments

Shares in affiliated companies and equity investments with a shareholding of at least 20.0 percent that are intended to serve the Company's own operations by establishing a lasting relationship were as follows:

### List of shareholdings

Name and registered office of company (%/€'000)	Shareholding	Equity	Net income/loss for the year
<b>Shares in affiliated companies</b>			
ALIN 2 GmbH & Co. KG, Düsseldorf	100.00%	10,322	2,494
ALIN 2 Verwaltungs-GmbH, Düsseldorf	100.00%	40	2
ARAG 2000 Grundstücksgesellschaft eGmbH, Düsseldorf	25.00%	62,381	2,202
ARAG Liegenschaftsverwaltungs- und Beratungs-GmbH & Co. Immobilien KG, Düsseldorf	50.00%	5,624	195
ARAG Service Center GmbH, Düsseldorf	20.00%	627	109
Interloyd Versicherungs-AG, Düsseldorf	100.00%	14,093	-1,869

## Equities, investment fund shares/units, and other variable-yield securities

No write-downs following the strict principle of lower of cost or market value needed to be recognized in the reporting year (2024: €0 thousand).

Write-downs of €308 thousand had to be recognized in line with the discretionary principle of lower of cost or market value (2024: €62 thousand). No reversals of write-downs were required in the year under review or the previous year.

As of the reporting date in both 2025 and 2024, there were no undisclosed liabilities that had not been netted as a result of the application of the discretionary principle of lower of cost or market value.

The portfolio of investments contains the following investment funds of which more than 10.0 percent is held by the Company:

### Disclosures pursuant to section 285 no. 26 HGB

Fund (€'000)	Type of fund	Investment objective	Carrying amount Dec. 31, 2025	Market value Dec. 31, 2025	Difference	Dividend in 2025
ALLTRI	Mixed fund	Increased income	135,373	185,579	50,207	742
Universal Invest AI - AA	Mixed fund	Increased income	23,455	23,683	228	14
<b>Total</b>			<b>158,828</b>	<b>209,262</b>	<b>50,434</b>	<b>756</b>

### **Rights of redemption for investors in Universal Invest AI - AA:**

Investors have the right to request from the Company at any time the redemption of the investment fund units/shares in accordance with the relevant provisions in the general terms and conditions of investment. The Company is required to take back the investment fund units/shares at the applicable redemption price for the account of the alternative investment fund. The depositary bank is responsible for accepting the return. The Company reserves the right to suspend the redemption of investment fund units/shares if exceptional circumstances are deemed to warrant doing so in the interests of the investors. Investors must be informed without undue delay about the suspension and resumption of redemption using a durable medium.

### **Bearer bonds and other fixed-income securities**

Bearer bonds with a carrying amount of €100,571 thousand (December 31, 2024: €76,805 thousand) were classified as permanent investments and treated as fixed assets at ARAG Allgemeine. The fair value of these bearer bonds amounted to €96,354 thousand as of the balance sheet date (December 31, 2024: €72,616 thousand).

In 2025, no bearer bonds were reclassified from current assets to fixed assets.

In the reporting year, write-downs of €35 thousand had to be recognized in line with the strict principle of lower of cost or market value (2024: €0 thousand).

No write-downs had to be recognized in line with the discretionary principle of lower of cost or market value (2024: €0 thousand).

Reversals of write-downs of €21 thousand were recognized in the reporting year (2024: €0 thousand) because there was a recovery in value.

As of the reporting date, application of the discretionary principle of lower of cost or market value resulted in undisclosed liabilities of €5,004 thousand that had not been netted (December 31, 2024: €5,221 thousand).

### **Registered bonds**

No write-downs to a lower fair value were necessary in the year under review or the previous year.

No write-downs were reversed in 2025 (2024: €0 thousand).

The carrying amount of the registered bonds came to €34,500 thousand as of December 31, 2025 (December 31, 2024: €44,500 thousand); their fair value stood at €31,688 thousand (December 31, 2024: €42,016 thousand). Six of the registered bonds recognized at their nominal amounts less any amounts redeemed gave rise to an undisclosed liability of €2,930 thousand (December 31, 2024: €2,748 thousand from eight bonds).

### **Promissory notes and loans, and sundry lending**

No write-downs to a lower fair value needed to be recognized in the reporting year (2024: €0 thousand).

No write-downs were reversed in 2025 (2024: €5 thousand).

The carrying amount of the promissory notes came to €7,990 thousand as of December 31, 2025 (December 31, 2024: €12,990 thousand); their fair value stood at €7,772 thousand (December 31, 2024: €12,582 thousand). Two of the promissory notes and loans gave rise to an undisclosed liability of €218 thousand (December 31, 2024: €408 thousand from three promissory notes and loans).

## Receivables from reinsurance business

The balance of €1,582 thousand (December 31, 2024: €1,453 thousand) generally arose from outward reinsurance business. The amounts recognized are the outstanding balances.

### Rating class

(€'000)	Dec. 31, 2025
AAA	0
AA	978
A	604
BBB	0
BB	0
B	0
CCC	0
CC	0
C	0
D	0
Not rated	0

## Miscellaneous receivables

All items under miscellaneous receivables are due within one year.

Miscellaneous receivables mainly comprised balances of €26,232 thousand due from ARAG SE within the intragroup cash pool.

## Prepaid expenses and accrued income

Prepaid expenses and accrued income mainly consist of accrued rights to interest that are not yet due in respect of the income period before the balance sheet date and premiums in connection with registered bonds and promissory notes in accordance with section 341c (2) sentence 1 HGB.

## VI. Balance Sheet Disclosures – Equity and Liabilities

### Equity

Equity (€'000)	Dec. 31, 2025	Dec. 31, 2024
<b>Total equity</b>	<b>70,323</b>	<b>55,323</b>
of which		
<b>I. Subscribed capital</b>		
Share capital	44,000	44,000
<b>II. Capital reserves pursuant to section 272 (2) no. 4 HGB</b>		
Capital reserves as of Jan. 1	10,491	10,491
Appropriation to capital reserves	15,000	0
Capital reserves as of Dec. 31	25,491	10,491
<b>III. Revenue reserves</b>		
1. Statutory reserves		
Brought forward as of Jan. 1	744	744
Balance as of Dec. 31	744	744
2. Other revenue reserves		
Brought forward as of Jan. 1	89	89
Balance as of Dec. 31	89	89
	832	832
<b>IV. Net retained profit</b>		
Net retained profit as of Jan. 1	0	0
Net retained profit as of Dec. 31	0	0

The subscribed capital has been fully paid up by the shareholders. The share capital amounts to €44,000 thousand. It is divided into 2,200,000 no-par-value shares (notional value per no-par-value share: €20.00).

In previous years, the statutory reserves had to be recognized in accordance with section 300 of the German Stock Corporation Act (AktG). No addition to the statutory reserves was necessary in 2025.

The capital reserves consist of amounts that shareholders have contributed to the equity of the Company in accordance with section 272 (2) no. 4 HGB.

The full amount of the statutory reserves has been recognized pursuant to section 150 (2) AktG.

## Technical provisions

### Provision for outstanding claims

As of December 31, 2025, the provision for outstanding claims (net) including the portion of the provision for settlement expenses amounted to €191,879 thousand in direct business (December 31, 2024: €194,318 thousand) and €28,184 thousand in inward reinsurance business (December 31, 2024: €25,292 thousand).

### Equalization provision

In accordance with the calculation requirements specified in RechVersV, there was an addition to the equalization provision in a total amount of €5,716 thousand on the basis of the trends in claims and premiums (2024: reversal of €8,790 thousand). As a result, the equalization provision amounted to €37,275 thousand as of the balance sheet date (December 31, 2024: €31,560 thousand).

## Other provisions

### Provisions for pensions and other post-employment benefits

Since 2010, this item has also included the offsetting of pension benefit entitlements under reinsurance in accordance with section 246 (2) sentence 2 HGB. These entitlements constitute plan assets. The breakdown of this item as of December 31, 2025 was therefore as follows:

#### Defined benefit obligations

(€'000)	Dec. 31, 2025	Dec. 31, 2024
Amount required to settle the vested entitlements	34,490	35,994
of which offsettable against pension insurance assets	150	170
<b>Remaining amount</b>	<b>34,340</b>	<b>35,824</b>

### Provisions for taxes

In 2025, provisions for taxes of €13 thousand (December 31, 2024: €208 thousand) had to be recognized for tax demands, the reason for or amount of which was not yet known.

No provisions had to be recognized for miscellaneous taxes and for tax amounts identified by tax audits that have not yet been pursued.

## Miscellaneous provisions

The Company had the following miscellaneous provisions as of the reporting date:

### Miscellaneous provisions

(€'000)	Dec. 31, 2025	Dec. 31, 2024
Pre-retirement part-time employment	394	369
Supervisory Board and Advisory Council remuneration	150	150
Purchase invoices not yet received	470	381
Contributions to employers' liability insurance association	5	0
Performance-based remuneration	963	1,093
Bonuses	12	19
Costs for the annual financial statements	474	398
Long-service obligations	496	494
Litigation costs	53	0
Bonuses	786	704
Vacation entitlement and flextime obligations	345	314
Sundry other provisions	319	347
<b>Total</b>	<b>4,468</b>	<b>4,268</b>

## VII. Income Statement Disclosures

### Insurance business

#### Direct insurance and inward reinsurance business

(€'000)	Total insurance business		Direct insurance business (total)		Accident insurance		Liability insurance		Fire and property insurance	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Gross premiums written	236,403	224,991	200,203	191,016	48,703	48,620	50,800	49,083	72,945	67,708
Gross premiums earned	235,603	224,411	199,657	190,511	48,623	48,403	50,637	49,019	72,840	67,483
Net premiums earned	225,135	214,479	189,189	180,580	45,958	45,778	48,267	46,631	68,184	63,623
Gross expenses for claims	126,246	141,438	105,644	122,261	17,153	22,886	25,504	30,550	45,472	54,571
Gross insurance business operating expenses	102,567	96,570	85,511	80,574	19,415	19,108	20,389	19,461	31,724	29,598
of which front-end fees	31,149	29,347	29,302	27,610						
of which administrative expenses	71,417	67,223	56,209	52,965						
Reinsurance balance	5,240	-2,027	5,240	-2,027	180	1,157	2,155	-5,843	2,881	2,634
Underwriting result net of reinsurance before equalization provision	394	-12,406	2,807	-10,463	12,403	5,466	2,708	4,937	-8,078	-19,824
Underwriting result net of reinsurance after equalization provision	-5,321	-3,617	-2,522	-4,135	12,403	5,466	3,845	5,890	-13,922	-15,817
Gross technical provision (total)	321,379	316,607	271,788	270,549	98,211	103,249	74,462	74,100	69,669	64,164
of which gross provision for outstanding claims	250,485	252,514	222,302	227,223	92,789	97,890	63,602	62,258	49,209	49,603
of which lapse provision	1,260	1,280	1,260	1,280	263	281	268	275	560	562
of which equalization provision and similar provisions	37,275	31,560	24,233	18,905	0	0	5,032	6,169	14,266	8,422
Number of insurance policies with a term of at least one year	2,148,419	2,058,255	2,148,419	2,058,255	142,973 <sup>1</sup>	144,817 <sup>1</sup>	317,332 <sup>1</sup>	311,302 <sup>1</sup>	378,395	371,718
Technical interest income net of reinsurance relating to benefit reserve for annuities (1.00 percent)	432	115	432	115	408	108	5	1	0	0

<sup>1</sup> These insurance segments contain 17 group contracts (2024: 17) with 21,770,634 insured risks (2024: 20,568,219).



of which composite home contents insurance		of which composite residential buildings insurance		of which miscellaneous property insurance		Legal insurance		Emergency assistance insurance		Miscellaneous insurance		Inward business (total)	
2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
27,746	26,181	25,605	22,977	19,594	18,551	6,440	6,285	8,496	8,588	12,820	10,733	36,200	33,975
27,722	26,157	25,416	22,898	19,702	18,428	6,419	6,188	8,608	8,907	12,529	10,511	35,946	33,900
25,662	24,293	23,531	21,261	18,991	18,070	6,419	6,188	8,195	8,605	12,165	9,754	35,946	33,900
14,853	16,716	19,894	22,644	10,725	15,212	1,486	1,577	6,797	7,288	9,232	5,389	20,602	19,176
12,289	11,712	11,003	9,997	8,431	7,889	4,544	4,396	4,133	3,835	5,306	4,175	17,056	15,996
												1,847	1,737
												15,208	14,259
2,049	1,628	1,854	1,522	-1,022	-516	0	0	137	-38	-113	63	0	0
-1,560	-3,939	-7,768	-11,398	1,251	-4,487	389	214	-2,751	-2,151	-1,864	895	-2,412	-1,944
-1,560	-1,037	-11,375	-10,082	-987	-4,698	-209	2,145	-2,751	-2,151	-1,888	332	-2,799	518
12,994	11,628	31,899	28,498	24,777	24,039	10,243	10,739	4,505	4,392	14,699	14,068	49,591	46,058
11,966	10,619	24,907	25,270	12,366	13,714	4,672	5,787	1,580	1,677	10,450	10,007	28,184	25,292
213	218	197	191	150	153	0	0	60	67	109	95	0	0
0	0	4,584	978	9,682	7,445	3,498	2,900	0	0	1,437	1,413	13,042	12,655
202,357	199,264	44,010	44,351	132,028	128,103	1,057,239	976,482	186,279	193,699	66,201 <sup>1</sup>	60,237 <sup>1</sup>	0	0
0	0	0	0	0	0	0	0	0	0	20	6	0	0

**Number of insurance policies with a term of at least one year**

Direct insurance business (No.)	Dec. 31, 2025	Dec. 31, 2024
Germany	1,041,119	1,024,675
International	1,107,300	1,033,580
<b>Total</b>	<b>2,148,419</b>	<b>2,058,255</b>

**Source of insurance business by premiums written**

Direct insurance business (€'000)	Dec. 31, 2025	Dec. 31, 2024
Germany	193,042	184,149
International	7,161	6,868
<b>Total</b>	<b>200,203</b>	<b>191,016</b>

**Technical interest income**

Technical interest income is calculated and reclassified from the non-underwriting account to the underwriting account in accordance with section 38 RechVersV. It is calculated from the arithmetic mean of the opening and closing balances of the benefit reserves for annuities from direct accident, liability, and motor liability insurance business.

**Interest from discounting**

Interest income of €7 thousand (2024: €4 thousand) and interest expenses of €16 thousand (2024: €12 thousand) arose from the discounting of provisions with a maturity of more than one year. The interest related in particular to long-service provisions, bonuses, and pre-retirement part-time employment.

**Profit/loss on settlements**

The net profit on settlements from the 2024 claims reserve in direct business (net of reinsurance) came to €19,279 thousand in 2025 (2024: €8,144 thousand), which was almost 9.9 percent (2024: 4.4 percent) relative to the corresponding initial reserve. The profit was largely attributable to reversals of unused claims provisions in the accident insurance segment. The net profit on settlements from reversals of unused claims provisions for inward reinsurance business amounted to €1,941 thousand (2024: €1,514 thousand).

**Miscellaneous underwriting income and expenses**

Miscellaneous underwriting income included, in particular, late-payment fees. Miscellaneous underwriting expenses primarily consisted of expenses for the fire protection tax of €1,838 thousand (2024: €1,480 thousand).

**Reinsurance balance**

The balance of premiums ceded to reinsurers, the reinsurers' share of gross expenses for claims incurred, and reinsurance commissions came to €5,240 thousand (2024: minus €2,027 thousand).

**Net extraordinary income/expense**

No extraordinary income or expenses arose in the year under review.

**Income taxes**

Of the income taxes in the income statement, income of €62 thousand related to 2025 (2024: expense of €227 thousand). The net tax income recognized chiefly related to tax income from the international branches.

As ARAG Allgemeine and ARAG SE form a single entity for corporation tax, trade tax, and VAT purposes, the deferred taxes resulting from differences between the carrying amounts in the Company's financial statements and those in the tax base are recognized at the level of the tax group parent.

Following the conclusion of the profit-and-loss transfer agreement, ARAG Allgemeine and ARAG SE also form a single entity for income tax purposes. Consequently, income is taxed at the level of the parent company. The results of the more realistic assessment (BMF circular dated May 5, 2000) and the discounting of the claims provisions (BMF circular dated October 20, 2016) are taken into account when determining the basis of assessment for income tax.

## VIII. Other Disclosures

### Miscellaneous financial commitments and contingent liabilities pursuant to sections 251 and 285 no. 3a HGB

Investment agreements have been concluded with various private-equity funds through the affiliated company ALIN 2 GmbH & Co. KG. Calls from the funds result in cash being paid into ALIN 2 GmbH & Co. KG immediately before payment is due in order to provide the required liquidity. Calls at short notice of €2,043 thousand (2024: €6,359 thousand) are expected on the basis of open-ended investment agreements. As of the reporting date, ARAG Allgemeine had call commitments of €118 thousand (December 31, 2024: €130 thousand) toward four other infrastructure funds and private-equity funds that are recognized under investment fund shares/units. This was on the basis of outstanding contributions to be made by the Company as a limited partner that were not yet due.

### Commissions and other remuneration for insurance agents, staff costs

#### Commissions and other remuneration for insurance agents, staff costs

(€'000)	2025	2024
Commissions of all types for insurance agents within the meaning of section 92 HGB for direct insurance business	54,999	52,416
Other remuneration for insurance agents within the meaning of section 92 HGB	0	0
Wages and salaries	13,458	12,360
Social security and other employee benefit expenses	2,461	2,086
Pension and other post-employment benefit expenses	436	- 327
<b>Total expenses</b>	<b>71,354</b>	<b>66,535</b>

### Employees

The average number of employees in 2025 was 179 (2024: 168), of whom 97 worked in domestic claims (2024: 89), 66 in sports insurance (2024: 65), and 16 in other departments (2024: 14).

### Supervisory Board and Management Board remuneration

In the year under review, ARAG Allgemeine's Supervisory Board received remuneration of €150 thousand (2024: €150 thousand). The remuneration for members of the Management Board came to €1,126 thousand in 2025 (2024: €1,142 thousand). Remuneration for former members of the Management Board and their surviving dependants amounted to €975 thousand (2024: €949 thousand). A provision of €13,885 thousand was recognized for current pensions and vested pension entitlements of former members of the Management Board and their surviving dependants (December 31, 2024: €14,521 thousand).

The Management Board's remuneration is partly derived from intragroup charging among Group companies.

### Auditor's fees

A total net fee of €167 thousand (2024: €141 thousand) was agreed with the auditor for the audit of the 2025 single-entity financial statements and the Solvency II balance sheet as of December 31, 2025. This amount was expensed in 2025. No other fees from the auditor were incurred. As the Company is not entitled to offset input VAT, the VAT is recognized as an expense.

## Group affiliation

ARAG SE holds all of the shares in ARAG Allgemeine Versicherungs-AG and thus has a controlling interest within the meaning of section 16 (1) AktG. ARAG SE has notified ARAG Allgemeine of this controlling interest in accordance with section 20 (1) and (4) AktG. ARAG Holding SE indirectly holds a majority interest in ARAG SE. ARAG Allgemeine is therefore indirectly controlled by ARAG Holding SE and – in accordance with article 9 (1) of the Regulation on the statute for a European company (SE) of November 10, 2001 in conjunction with section 17 (2) AktG – a dependent entity within the meaning of section 17 (1) AktG.

ARAG Holding SE indirectly holds a majority interest in ARAG Allgemeine. The Company is therefore an affiliated company of ARAG Holding SE. It is included in the consolidated financial statements of ARAG Holding SE, Düsseldorf, for the year ended December 31, 2025. These consolidated financial statements cover both the largest and the smallest group of companies within the Group. The consolidated financial statements are published by Bundesanzeiger Verlag GmbH in the Company Register, where they can be inspected.

The Company does not prepare its own consolidated financial statements, as the consolidated financial statements of ARAG Holding SE have an exempting effect pursuant to section 291 HGB.

## Governing bodies of the Company

The members of the Company's governing bodies are as follows:

### Supervisory Board

The employees have a right of codetermination pursuant to section 1 (1) of the German One-Third Participation Act (DrittelbG), under which a third of the members of the Supervisory Board must be employee representatives.

Shareholder representatives:

Dr. Dr. h. c. Paul-Otto Faßbender Chairman;  
Chairman of the Management Board  
of ARAG Holding SE, Düsseldorf

Hanno Petersen Deputy Chairman;  
Member of the Management Board of ARAG SE,  
Ratingen

Dr. Matthias Maslaton Member of the Management Board of ARAG SE,  
Moers

Dr. Joerg Schwarze Member of the Management Board of ARAG SE,  
Düsseldorf

Employee representatives:

Johannes Berg Team Leader, Claims Service  
(Property, Commercial, Large Claims),  
ARAG Allgemeine Versicherungs-AG, Dormagen

Wolfgang Platen Chairman of the Works Council of  
ARAG Allgemeine Versicherungs-AG and  
Interlloyd Versicherungs-AG, Mönchengladbach



### Management Board

Christian Vogée	Speaker of the Management Board; Responsibilities: Central Corporate Functions/ Sports Insurance/Broker Sales
Uwe Grünewald	Responsibilities: Finance and Accounting/ Controlling/Risk Management
Zouhair Haddou-Temsamani	Responsibilities: Core Sales/ Product Management/Marketing
Katrin Unterberg	Responsibilities: Claims/Insurance Operations/ ARAG Service Center/International Branches

## IX. Report on Post-Balance Sheet Events

There were no events of particular significance after December 31, 2025.

## X. Appropriation of Profit

A profit-and-loss transfer agreement was concluded with ARAG SE, Düsseldorf, on October 31, 2006. In accordance with that agreement, ARAG Allgemeine transferred its entire profit of €1,150 thousand in 2025 (2024: €8,681 thousand). The recognition or reversal of reserves and any amounts not allowed to be distributed as dividends were taken into account prior to the appropriation of profit.

Düsseldorf, March 9, 2026

ARAG Allgemeine Versicherungs-AG

The Management Board

Christian Vogée (Speaker)

Uwe Grünewald

Zouhair Haddou-Temsamani

Katrin Unterberg



# Further Information

# I. Independent Auditor's Report

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To ARAG Allgemeine Versicherungs-Aktiengesellschaft, Düsseldorf

## Report on the audit of the annual financial statements and of the management report

### Opinions

We have audited the annual financial statements of ARAG Allgemeine Versicherungs-Aktiengesellschaft, Düsseldorf, which comprise the balance sheet as of December 31, 2025, the income statement for the financial year from January 1 to December 31, 2025, and the notes to the financial statements, including a summary of the accounting policies. In addition, we have audited the management report of ARAG Allgemeine Versicherungs-Aktiengesellschaft for the financial year from January 1 to December 31, 2025. In accordance with German legal requirements, we have not audited the content of those parts of the management report specified in the 'Other information' section of our auditor's report.

In our opinion, based on the findings of our audit:

- The accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and, in compliance with German accepted accounting principles, give a true and fair view of the net assets and financial position of the Company as of December 31, 2025 and of its results of operations for the financial year from January 1 to December 31, 2025, and
- The accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. Our opinion

on the management report does not cover the content of those parts of the management report specified in the 'Other information' section.

Pursuant to section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the propriety of the annual financial statements and management report.

### Basis for the opinions

We conducted our audit of the annual financial statements and management report in accordance with section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as 'EU Audit Regulation') and in compliance with the German generally accepted standards for the auditing of financial statements promulgated by the Institute of Public Auditors in Germany (IDW). Our responsibility under these requirements and principles is described in more detail in the 'Responsibility of the auditor for the audit of the annual financial statements and management report' section of our auditor's report. We are independent of the Company pursuant to the requirements of European law and German commercial law and the rules governing our profession and we have fulfilled our other German professional obligations in accordance with these requirements. In addition, in accordance with article 10 (2)f of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under article 5 (1) of the EU Audit Regulation. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and management report.

### Key audit matters in the audit of the annual financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from January 1 to December 31, 2025. These matters were addressed in the context of our audit of the annual financial statements as a whole and in forming our opinion of this audit; we do not provide a separate opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

- ❶ Valuation of investments
- ❷ Valuation of claims provisions

Our presentation of these key audit matters has been structured in each case as follows:

- ① Matter and issue
- ② Audit approach and findings
- ③ Reference to further information

The key audit matters are presented below:

- ❶ Valuation of investments
  - ① In its annual financial statements, the Company discloses investments of €366,024,448 on the balance sheet (87.6 percent of total assets). The valuation of the individual investments in accordance with HGB is based on the lower of cost or fair value. According to section 341b (2) sentence 1 HGB, certain investments of insurance companies that are intended to serve business operations on a permanent basis can be valued in accordance with the provisions applicable to fixed assets. In this case, write-downs to a lower fair value are only performed if impairment is expected to be permanent (discretionary principle of lower of cost or market value), while temporary impairment is carried forward to subsequent years as an undisclosed liability. Determining whether an investment is intended to serve the Company's business operations on a permanent basis is based on an intention and the ability to hold these investments permanently. The market price – where available – of the respective investment is used to calculate the fair value. For investments that are not valued using exchange prices or other market prices (e.g. non-listed shares in affiliated companies, investment funds, and illiquid bonds), there is a heightened valuation risk because it is necessary to use modeling. In this context, the executive directors have to use judgment, estimates, and

assumptions, such as in relation to the potential effects of macroeconomic influencing factors – including movements in interest rates – on the valuation of investments. Minor changes in these assumptions and the methods used can have a material impact on the valuation of investments.

The valuation of investments was a key audit matter in light of the material significance of the amount of the investments for the Company's net assets and results of operations, the volume of undisclosed liabilities carried forward as a result of application of the discretionary principle of lower of cost or market value, and the use of judgment by the executive directors, which entails estimation uncertainty.

- ② Given the importance of the investments for the Company's overall business, we – together with our internal investment specialists – assessed the models used by the Company and the assumptions made by the executive directors as part of our audit. We drew on our expertise in the valuation of investments and on our industry knowledge and experience to do so. In addition, we assessed the design and effectiveness of the controls put in place by the Company to value the investments and recognize gains and losses on investments. Building on this, we performed further analytical procedures and substantive procedures in relation to the valuation of investments. In this connection, we also assessed the executive directors' appraisal of the effects of macroeconomic influencing factors – including movements in interest rates – on the valuation of investments. Our procedures included obtaining an understanding of the underlying carrying amounts and their recoverability based on the documentation made available to us and verifying the consistent application of the valuation methods and the accrual basis of accounting. In terms of assessing the undisclosed liabilities, we evaluated the extent to which the prerequisites for intention and ability to hold the investments permanently were met and the extent to which the impairments were temporary. Based on our audit procedures, we satisfied ourselves that the estimates and assumptions made by the executive directors in the valuation of the investments were justified and were adequately documented.

③ The Company's disclosures relating to investments are contained in the sections 'Disclosures on Accounting Policies' and 'Balance Sheet Disclosures – Assets' in the notes to the financial statements.

#### ② Valuation of claims provisions

① In its annual financial statements, the Company discloses gross technical provisions (claims provisions) of €250,485,461 under the 'Provision for outstanding claims' line item on the balance sheet. They constitute 59.9 percent of total equity and liabilities. Insurance companies must recognize technical provisions in the amount that is deemed necessary according to prudent business practice to meet the ongoing need to satisfy the obligations under insurance contracts. Determining assumptions for the valuation of technical provisions requires the Company's executive directors to take into account requirements under the German Commercial Code and regulatory requirements, to make estimations about future events, and to use suitable valuation methods. This includes the anticipated effects of the macroeconomic influencing factors – including higher rates of inflation – on the recognition of claims provisions in the relevant divisions. The methods and calculation parameters used to determine the amount of the claims provisions involve the executive directors using judgment and making assumptions. Minor changes in these assumptions and the methods used can have a material impact on the valuation of claims provisions.

The valuation of claims provisions was a key audit matter in light of the material significance of the amount of these provisions for the Company's net assets and

results of operations and the use of judgment by the executive directors, which entails estimation uncertainty.

② Given the importance of the claims provisions for the Company's overall business, we – together with our internal valuation specialists – assessed the methods used by the Company and the assumptions made by the executive directors as part of our audit. We drew on our industry knowledge and experience to do so, taking recognized methods into account. In addition, we assessed the design and effectiveness of the controls put in place by the Company to determine and recognize claims provisions. Building on this, we performed further analytical procedures and substantive procedures in relation to the valuation of claims provisions. Our procedures included reconciling the data and base documents used to calculate the settlement value. We also obtained an understanding of the results calculated by the Company for the level of the provisions based on the applicable statutory requirements and verified the consistent application of the valuation methods and the accrual basis of accounting. In this connection, we also assessed the executive directors' appraisal of the macroeconomic influencing factors – including higher rates of inflation – on the relevant divisions. Based on our audit procedures, we satisfied ourselves that the estimates and assumptions made by the executive directors in the valuation of the claims provisions were justified and were adequately documented.

③ The Company's disclosures relating to claims provisions are contained in the sections 'Disclosures on Accounting Policies' and 'Balance Sheet Disclosures – Equity and Liabilities' in the notes to the financial statements.

### **Other information**

The executive directors are responsible for the other information. The other information comprises the following management report components whose content has not been audited:

- The corporate governance declaration pursuant to section 289f (4) HGB (disclosure on the proportion of women in managerial positions), included in the section 'Corporate governance declaration' of the management report
- The Solvency II coverage ratio contained in the section 'Overall risk position' of the management report

The other information also includes all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited annual financial statements, the audited management report, and our auditor's report.

Our opinions on the annual financial statements and management report do not cover the other information. We do not therefore express an opinion or any other form of assurance conclusion on this information.

In connection with our audit, our responsibility is to read the aforementioned other information and to consider whether the other information:

- Is materially inconsistent with the annual financial statements, the disclosures in the management report whose content has been audited, or the knowledge that we obtained during the audit, or
- Otherwise appears to be materially misstated.

### **Responsibility of the executive directors and Supervisory Board for the annual financial statements and management report**

The executive directors are responsible for preparing annual financial statements that comply, in all material respects, with the requirements of German commercial law and that, in compliance with German accepted accounting principles, give a true and fair view of the net assets, financial position, and results of operations of the Company. In addition, the executive directors are responsible for the internal controls that they, in compliance with German accepted accounting principles, consider necessary for the preparation of annual financial statements that are free from material misstatements, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

When preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They are also responsible for disclosing matters relating to the Company's continuation as a going concern, where pertinent. In addition, they are responsible for financial reporting based on the going concern basis of accounting, unless there are actual or legal circumstances that preclude this.

Furthermore, the executive directors are responsible for preparing a management report that, as a whole, provides an appropriate view of the Company's position, is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) that they consider necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The Supervisory Board is responsible for overseeing the financial reporting process used by the Company to prepare the annual financial statements and management report.

### **Responsibility of the auditor for the audit of the annual financial statements and management report**

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatements, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the audit findings, complies with the German legal requirements, and appropriately presents the opportunities and risks of future development, and to issue an auditor's report containing our opinions on the annual financial statements and management report.

Reasonable assurance is a high level of assurance, but not a guarantee, that an audit conducted in accordance with section 317 HGB and the EU Audit Regulation and in compliance with the German generally accepted standards for the auditing of financial statements promulgated by the IDW will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements, whether due to fraud or error, in the annual financial statements and management report, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. 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 overriding of internal controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the management report 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 internal control or these arrangements and measures of the Company.
- Evaluate the appropriateness of the accounting policies used by the executive directors and the reasonableness of the estimates made by the executive directors and related disclosures.
- Draw conclusions about the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether there is material uncertainty surrounding events or circumstances that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that there is material uncertainty, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and management report or, if such disclosures are not appropriate, to modify our opinion. We draw our conclusions based on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may lead to a situation in which the Company is no longer able to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that, in compliance with German accepted accounting principles, gives a true and fair view of the net assets, financial position, and results of operations of the Company.



- Assess the consistency of the management report with the annual financial statements, its conformity with the law, and the view that it provides of the Company's position.
- Conduct audit procedures in respect of forward-looking statements made by the executive directors in the management report. On the basis of sufficient appropriate audit evidence, we examine, in particular, the significant assumptions underlying the executive directors' forward-looking statements and assess whether these statements have been correctly derived from these assumptions. We do not express a specific opinion on the forward-looking statements or on the underlying assumptions. There is a substantial unavoidable risk of material discrepancies between future events and the forward-looking statements.

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

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and discuss with them all relationships and other matters that may reasonably be thought to have a bearing on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters discussed with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements for the current reporting period and are therefore the key audit matters. We describe these matters in our auditor's report unless public disclosure of the matter is precluded by law or regulation.

## Other legal and regulatory requirements

### Further information pursuant to article 10 of the EU Audit Regulation

We were elected as auditor by the Annual General Meeting on April 3, 2025. We were engaged by the Supervisory Board on July 17, 2025. We have been the auditor of ARAG Allgemeine Versicherungs-Aktiengesellschaft, Düsseldorf, continually since the 2025 financial year.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

### German public auditor responsible for the engagement

The German public auditor responsible for the engagement is Christian Sack.

Düsseldorf, March 11, 2026

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

Christian Sack  
Wirtschaftsprüfer  
(German Public Auditor)

Ansgar Zientek  
Wirtschaftsprüfer  
(German Public Auditor)

## II. Report of the Supervisory Board

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In the year under review, the Supervisory Board carried out the tasks required of it by law, the articles of incorporation, and rules of procedure. It continually monitored and advised the Management Board with regard to its running of the Company and was directly involved in all decisions of fundamental importance to the Company. The Management Board provided the Supervisory Board with regular, timely, and comprehensive written and oral reports on the economic situation and the performance of the Company and its subsidiaries, business policy going forward, corporate planning, the risk situation, risk management, and significant individual transactions. The Management Board explained variances between the actual course of business and plans and targets individually, and these were noted and scrutinized by the Supervisory Board. Where management action required the approval of the Supervisory Board by law or other regulations, the Supervisory Board received the necessary information on the matter from the Management Board in the form of reports. The Supervisory Board discussed these reports extensively at its meetings, deliberated on them with the Management Board, and made the necessary decisions.

The Supervisory Board held four ordinary meetings last year, at which it was able to satisfy itself that the Management Board was running the Company properly and appropriately. The Supervisory Board also convened once, immediately following the Annual General Meeting, for the constitutive meeting of the Supervisory Board and its committees. The Supervisory Board adopted two resolutions in a written procedure. The Finance and Audit Committee held two ordinary meetings and one extraordinary meeting and also adopted two resolutions in a written procedure. In addition, the Human Resources Committee convened for three ordinary meetings and adopted one resolution in a written procedure. The meetings were held in person.

Outside the meetings, the Chairman of the Supervisory Board was in regular contact with the Management Board and was kept informed about current business performance and major business transactions. The Chairman of the Supervisory Board was updated

daily on key developments. The members of the Supervisory Board were provided with regular controlling reports detailing premiums written, external claim payments, and commissions.

At its ordinary meetings, the Supervisory Board received reports on current processing times for claim applications and customer inquiries, and on the Bundesbank audit in 2024 and 2025. It also received the own risk and solvency assessment (ORSA) report. In addition, the Supervisory Board discussed the internal audit status report and implementation of the measures set out in the internal audit report. Furthermore, it examined the updating of the rules on the provision of non-audit services by audit firms. Christian Vogée was reappointed as a member of the Management Board for another term of office.

The Supervisory Board also discussed the invitation to tender and the selection process for the audit of the financial statements for 2025. It also received reports on the Company's business performance and on the international units. The Supervisory Board was able to gain a comprehensive picture of the Company's situation from the controlling reports and risk reports, the ORSA report, the reports on investments, and the quarterly financial statements (including updated forecasts) that were presented. At its meetings, the Supervisory Board also examined reports on the reinsurance renewal and the risk strategy for 2025. In addition, it approved the strategic plan for 2026 to 2028 and approved an update to the general investment policy. It signed off the development plan for the Supervisory Board in 2026, approved the business strategy, and discussed the appropriateness of Management Board remuneration, the structure of the remuneration systems, and management statistics.

The Chairman of the Supervisory Board provided timely and detailed reports on the work of the Human Resources Committee and Finance and Audit Committee at the ordinary meetings of the Supervisory Board.

The single-entity financial statements, which were prepared by the Management Board in accordance with the commercial-law accounting regulations for insurance companies (RechVersV), and the management report for 2025 were, together with the bookkeeping



system, audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC), Frankfurt am Main, which issued an unqualified opinion. The auditor had been elected by the Annual General Meeting on March 4, 2025 and engaged to carry out the audit.

The members of the Supervisory Board received the aforementioned documents, annual report, and auditor's report in good time before the Supervisory Board meeting that was held to adopt the financial statements. At the meeting, the Management Board also provided additional oral explanations of the documents. The auditors who had signed the auditor's report participated in the Supervisory Board's discussion of the documents, reported on the key findings of the audit, and were available to provide additional information. PwC presented its audit planning at a Supervisory Board meeting.

The Supervisory Board reviewed the single-entity financial statements and management report. There were no objections to be raised on the basis of the concluding findings of its review. Having carried out its own review, the Supervisory Board agreed with the findings of the audit of the single-entity financial statements and management report by the auditor. The Supervisory Board approved the single-entity financial statements and management report and thereby adopted them. The Supervisory Board proposes to the Annual General Meeting that it formally approve the acts of the Management Board members.

The Supervisory Board would like to express its thanks and appreciation for the work of the Management Board and all employees in 2025.

Düsseldorf, March 26, 2026

ARAG Allgemeine Versicherungs-AG

The Supervisory Board

Dr. Dr. h. c. Paul-Otto Faßbender  
(Chairman)

Hanno Petersen  
(Deputy Chairman)

Johannes Berg

Dr. Matthias Maslaton

Wolfgang Platen

Dr. Joerg Schwarze



## III. Credits

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### **Thanks**

We would like to thank our colleagues and partners for their invaluable support in preparing this report.

### **Note**

Figures in this report are rounded, which may give rise to differences of  $\pm$  one unit (currency, percent) in some computations.

You can find the latest information about the Group and our products on our website **[www.ARAG.com](http://www.ARAG.com)**.

