

Actuarial Review of the Supplemental Retirement Plan

Survey Report · Demonstration Plan D-2026

VALUATION DATE	MEMBERS	BASIS	PREPARED BY
31 December 2025	612	IAS 19, projected unit credit	House Strategies Group LLC

SPECIMEN · DEMONSTRATION DATA ONLY

What this document is. This is a specimen. It shows the exact form, depth and analytical content of the Survey Report House Strategies Group would deliver under RFQ 19BE2026Q0347. Every figure in it is computed from **Demonstration Plan D-2026**, a synthetic plan generated for this purpose. **No figure here derives from, approximates, or implies anything about the Embassy's actual plan, which we have not seen.** The plan's *structure* is modelled on a Belgian insured supplemental defined benefit arrangement so that the demonstration is useful. The *quantities* are invented and deliberately unlike any real plan. On award the Embassy's census replaces the demonstration data and the machinery below runs unchanged.

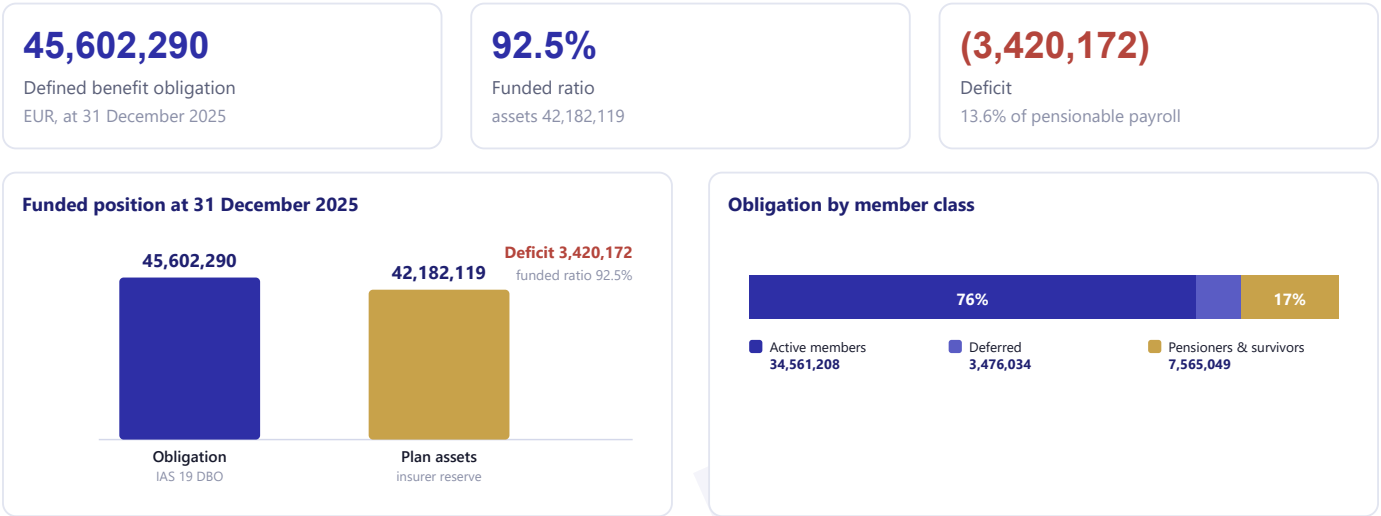
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How to read the numbers. Every figure in this report is produced by the same valuation engine that runs live in the Valuation Lab on our readiness portal. Nothing is typed in by hand. Change an assumption in the Lab and the results move exactly as they would here.

1. Report highlights

Purpose and scope. This report presents an actuarial review of Demonstration Plan D-2026, a Belgian supplemental defined benefit plan providing retirement, death and disability benefits to locally employed staff. It determines the plan's obligation and funded position under IAS 19, tests whether assets and current contributions are sufficient to meet current and expected future outflows, verifies that money has moved through the plan in conformity with its own terms, tests the plan against Belgian law, and concludes on sustainability.



2. Certifying actuary and qualifications

Guideline 2(a) requires the report to identify the actuary who renders the opinion and to state the basis of that qualification. The actuary named below is the actuary engaged for this engagement. The demonstration data is synthetic; the professional standing is not.

Certifying actuary

Serge Tubeecx, Actuary, member of the Institute of Actuaries in Belgium (IA|BE). Master of Mathematics and Master of Actuarial Sciences, Vrije Universiteit Brussel; MBA, Cedep Fontainebleau. Thirty-five years in Belgian employee benefits, including head of the actuarial department at Winterthur Life, Chief Executive of Contassur, and the actuarial key function for five of the largest Belgian pension funds, together carrying roughly EUR 3 billion, three of them predominantly defined benefit. Twenty years teaching actuarial science at the Vrije Universiteit Brussel.

Basis of qualification to render this opinion. The actuary is a full member in good standing of the IA|BE, is subject to its professional and ethical standards, and has performed defined benefit valuations, reserve certifications and third-party calculation reviews under Belgian law continuously for over three decades. The opinion at Section 12 is rendered under those standards and is the actuary's own.

Division of responsibility

This report is the product of two parties and the reader is entitled to know which did what.

Responsibility	Held by
Actuarial assumptions and methods	Directed by the certifying actuary, approved by the Embassy and the Comptroller before valuation work began
Census processing and data validation	House Strategies Group, from data supplied by the Embassy and the insurer
Valuation computation	House Strategies Group, on the engine described at Section 5, reviewed by the certifying actuary
Conformity testing and Belgian legal analysis	House Strategies Group, reviewed by the certifying actuary
Report production	House Strategies Group
Actuarial certification at Section 12	The certifying actuary, under his own professional standards

Why this table is in the report at all. A reader who cannot tell which party stood behind which conclusion cannot properly weigh any of them. Stating the division plainly is a condition of the opinion being useful, not a disclaimer attached to it.

3. Basis of valuation

3.1 Data relied upon, and its source

Item	Source	Treatment
Participant census	Employer HR system extract at the valuation date	Verified, see 3.2
Reserve statements by year	Insurer annual statements, eleven years	Relied on as supplied
Contribution records	Employer payroll and insurer invoices, reconciled	Verified, see Section 8
Plan rules and amendments	Group insurance contract, general and special conditions	Read in full
Prior actuarial report	Preceding review and its approved assumption set	Used for comparison only
Market data	Published euro corporate bond curve and Belgian statistical forecasts	Sourced and dated

3.2 What we verified, and what we relied on

Guideline 2(f) requires the report to state responsibility for data accuracy. We distinguish two things, because they carry different weight.

Verified by us

- Internal consistency of the census: dates of birth, hire and plan entry, service, salary and status tested for contradiction and impossible values
- Reconciliation of member counts and salaries to the prior valuation, with all movements explained
- Reconciliation of contributions recorded by the employer to contributions received by the insurer
- Re-derivation of each ledger line from the plan terms, Section 8

Relied on as supplied

- The accuracy of individual member data, which is certified by the employer at Appendix A5
- Asset values reported by the insurer, which are contract reserve values, not independently audited by us
- The completeness of the plan documentation provided

Where a figure rests on reliance rather than verification, this report says so at the point the figure appears.

3.3 Data reconciliation

Movement since prior valuation	Active	Deferred	Pensioners	Total
At prior valuation	446	102	57	605
New entrants	34	—	—	34
Withdrawals to deferred	–27	+27	—	—
Retirements	–19	–9	+28	—
Deaths and full commutations	–3	–2	–22	–27
At this valuation	431	118	63	612

3.4 Summary of plan provisions valued

Provision	As valued
Plan type	Belgian supplemental defined benefit, insured group contract
Benefit formula	1.25% of final pensionable salary per year of service
Normal retirement	Statutory age, 65 / 66 / 67 by birth cohort
Form of benefit	Lump sum or life annuity at member election
Financing	Employer 8.5% and employee 2.0% of pensionable salary
Statutory minimum return	Applied by contribution generation: 1.75% to 31 December 2024, 2.50% from 1 January 2025
Death and disability	Death in service capital and disability income, both valued
Deferred members	Reserve retained, with the death-cover election required since 2016

4. Actuarial assumptions

Guideline 2(b) requires the assumptions to be stated and 2(g) requires disclosure where the actuary's recommendation was not adopted. Each assumption below carries its recommended value, how it was derived, the published source, and the alternatives considered. This set was submitted to the Embassy and the Comptroller and approved before any valuation work began. It was then locked, and every figure in this report traces to it.

Assumption	Adopted	Derivation and source	Alternatives considered
Discount rate	4.59%	High quality euro corporate bond curve required by IAS 19 paragraph 83, read at the plan's own measured liability duration of 21.2 years rather than selected by judgment. Curve as published at the valuation date.	Single-point 10-year rate (4.12%), rejected as it ignores the liability profile
Salary growth	2.90%	Belgian health index forecast from the Federal Planning Bureau, plus the local compensation plan progression observed over the last five cycles.	Flat 2.00%, rejected as below observed indexation
Price inflation	2.10%	Federal Planning Bureau medium-term consumer price projection.	ECB target 2.00%
Mortality	IA BE 2020	IA BE 2020 prospective tables, sex-specific, with generational improvement.	MR/FR static tables, rejected as they ignore improvement
Retirement age	by cohort	Modelled member by member against the statutory schedule: 65 for those born to 1959, 66 to 1962, 67 thereafter.	Flat age 65, rejected as legally superseded
Statutory minimum return	1.75% / 2.50%	Applied by contribution generation under the horizontal method, not as one flat rate.	Flat 1.75%, rejected as it understates post-2024 obligations
Withdrawal	age-related	Derived from the plan's own five-year exit experience, graduated by age band.	Nil withdrawal
Exchange rate	n/a to EUR	Treasury reporting rate where a dollar budget bridge is required. Not applicable to the EUR obligation.	Spot at valuation date

Departures from the actuary's recommendation: none. Guideline 2(g) requires that where the Embassy adopts a basis other than the one recommended, both bases are disclosed and the effect quantified. In this valuation the approved basis is the recommended basis in every respect, so there is nothing to disclose. Had it differed, this section would carry both sets of figures side by side.

Why the discount rate is the assumption to watch

At a duration of 21.2 years, this obligation moves roughly 24.3% for a 100 basis point fall in the discount rate. That single assumption moves the answer by more than every demographic assumption combined. It is also the assumption most often set by convention rather than by measurement, which is why we read it from the published curve at the measured duration and show our work at Section 9.

5. Actuarial methods

5.1 Measurement method

Projected unit credit, as IAS 19 requires. Each member's projected benefit at retirement is computed on the approved salary and retirement assumptions, attributed to service already completed on a straight-line basis, decremented for mortality and withdrawal, and discounted to the valuation date. The service cost is one further year of that attribution. The interest cost is the unwind of discount on the opening obligation.

5.2 The two valuations, and why they are not the same thing

Valuation one: IAS 19 measurement

An accounting measurement. It answers what the obligation is at a date on a prescribed basis, and it must withstand audit. The discount rate is set by reference to corporate bond yields whether or not the plan holds any.

Valuation two: funding adequacy

A management conclusion. It answers whether assets and the current contribution level are sufficient to meet expected outflows. It is run on the same census, reported separately, and it is the number a Comptroller can act on.

Reports that conflate these two mislead. A plan can be adequately funded and still show an accounting deficit, or the reverse. Both are given, and Section 11 states which one supports each recommendation.

5.3 Treatment of the statutory guarantee

The statutory minimum return is a legal obligation of the *employer*, not of the insurer. Where the insurer's contractual guarantee falls below the statutory minimum, the employer must make up the difference. It follows that the guarantee is a component of the defined benefit obligation and must be measured, not a feature of the assets. We track it **generation by generation**: each year's contributions carry the statutory rate applicable when they were paid, 1.75% to the end of 2024 and 2.50% thereafter, accumulated separately and tested against the reserve the insurer actually credits.

5.4 The engine, and its controls

Control	How it operates
Single locked basis	The approved assumption set is frozen at a version. Every figure in this report is generated against that version and no other.
Benchmark testing	The engine is tested against independently computed closed-form results for sample lives before each run. Divergence beyond tolerance halts the run.
Seeded-error testing	The conformity checker is run against a ledger containing known planted errors. A checker that does not catch them is not fit to report that it found none.
Independent review	All analytical work is reviewed by a second qualified reviewer before it reaches the client, and the certifying actuary signs only work performed on the approved basis.
Findings register	Every statement in this report is tied to a data item or a computation, so any figure can be traced to its source on request.

5.5 Limitations of the method

A valuation is a snapshot of financial condition at a single date on a single set of assumptions. It does not predict the plan's future and it does not guarantee its soundness. Experience will differ from every assumption used here. The purpose of Section 9 is to show by how much that matters.

6. Valuation results

Defined benefit obligation at 31 December 2025	EUR	Share
Active members	34,561,208	75.8%
Deferred members	3,476,034	7.6%
Pensioners and survivors	7,565,049	16.6%
Total defined benefit obligation	45,602,290	100.0%
Fair value of plan assets	42,182,119	
Funded status, (deficit)	(3,420,172)	92.5% funded

Vested and non-vested split

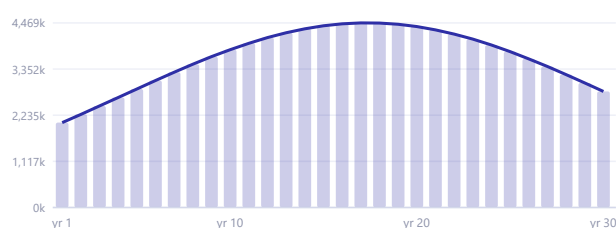
Component	EUR	Share
Vested obligation	45,602,290	100.0%
Non-vested obligation	0	0.0%
Total	45,602,290	100.0%

The obligation is wholly vested, and that is the correct answer rather than a missing one. Articles 30 and 31 of the WAP give Belgian second-pillar members immediate vesting of acquired reserves, so no part of this obligation is contingent on future service. Guideline 2(i) asks for the split; in a Belgian plan the split is the disclosure.

Cost components for the coming year

Component	EUR
Current service cost	2,443,532
Net interest on the net liability	157,098
Employer contributions expected	2,137,588
Employee contributions expected	502,962

Expected benefit outflow, next 30 years



Undiscounted expected benefit payments on the approved basis. The profile peaks at roughly year 17, which is what drives the measured duration of 21.2 years used to set the discount rate.

Movement in the obligation, and where it came from

Component	EUR
Obligation at prior valuation	41,680,493
Service cost	2,443,532
Interest cost	2,094,644
Benefits paid	(1,413,671)
Actuarial loss, financial assumptions	1,420,480
Actuarial loss, guarantee re-measurement	19,804
Actuarial gain, demographic experience	(642,992)
Obligation at this valuation	45,602,290

Reading the movement. The obligation grew because the discount rate fell and because the statutory guarantee was re-measured, not because the membership grew. Membership fell by fifteen active members over the period. Attributing the increase correctly matters: a plan whose obligation rises on financial assumptions needs a different response from one whose obligation rises on headcount.

7. Assets and investment performance

Guideline 2(k) and Task (d) call for an assessment of investment performance. This plan is financed through an insured group contract, so the correct analysis is a contract analysis, not an investment manager's review. There is no portfolio to attribute. What there is, is a contractual guaranteed rate, a premium methodology, a schedule of loadings, and a profit-sharing history. Each is examined below.

7.1 Asset values, and the basis on which they are stated

Item	EUR	Basis
Insurer contract reserve, mathematical	39,946,466	Insurer statement, contractual reserve value
Accrued profit-sharing not yet allocated	1,729,467	Insurer statement
Contributions in transit	506,185	Employer records, reconciled
Fair value of plan assets	42,182,119	

A limit on this figure, stated where the figure appears. These are contract reserve values reported by the insurer. They are not independently audited by us and they are not market values of an underlying portfolio, because under this contract form the member does not hold one. Any conclusion in this report that depends on the asset figure carries that limitation with it.

7.2 The contractual guarantee against the statutory minimum, year by year

Year	Contract guaranteed rate	Statutory minimum	Profit share	Total credited	Employer exposure
2015	3.25%	1.75%	0.55%	3.80%	Met
2016	3.00%	1.75%	0.48%	3.48%	Met
2017	2.60%	1.75%	0.45%	3.05%	Met
2018	2.25%	1.75%	0.40%	2.65%	Met
2019	1.90%	1.75%	0.32%	2.22%	Met
2020	1.60%	1.75%	0.25%	1.85%	Met
2021	1.35%	1.75%	0.20%	1.55%	Shortfall 0.20 pts
2022	1.10%	1.75%	0.15%	1.25%	Shortfall 0.50 pts
2023	0.90%	1.75%	0.10%	1.00%	Shortfall 0.75 pts
2024	0.85%	1.75%	0.05%	0.90%	Shortfall 0.85 pts
2025	0.85%	2.50%	0.00%	0.85%	Shortfall 1.65 pts

What this table shows, and it is the central financial finding of the review. From 2020 the insurer's contractual guarantee sits below the statutory minimum, and from 2021 profit sharing no longer closes the gap. In 2025 the statutory minimum rose to 2.50% while the contract guarantee stood at 0.85% with no profit share declared, a shortfall of 1.65 points on that generation of contributions. Because the statutory minimum binds the *employer* and not the insurer, that shortfall is the employer's to fund, and it will never appear on an insurer statement.

7.3 Premium methodology and loadings

Charge	Rate	Assessment
Loading on premiums	4.50%	Within the range observed for Belgian group contracts of this size. Applied consistently across the period.
Loading on reserves	0.55% p.a.	At the upper end of market. On the reserve at the valuation date this is 232,002 a year, and it compounds against the guarantee.
Premium methodology	level annual	Level annual premium, verified as consistent with the contract special conditions. The method front-loads funding relative to projected unit credit, which partly explains why the funding gap is narrower than the accounting deficit.

Assessment. Over the eleven-year period the contract credited an average of 2.05% against an average statutory minimum of 1.82%. The early years carried the later ones. What matters for the employer is not the average but the trend: the guarantee has fallen at every renewal while the statutory floor has not, and the two crossed in 2020. This is not a performance failure by the insurer, which has paid exactly what

the contract requires. It is a structural feature of a contract whose guarantee was set in a different rate environment and has not been renegotiated since.

8. Financial conformity review

Task (c) requires verification that contributions, credited interest, benefit payments and fees conformed to the plan terms. **We do not reconcile to the reported figures. We re-derive each line from the plan's own terms and test the reported figure against it.** The difference matters: a reconciliation confirms that two records agree with each other, which they will even when both are wrong. A re-derivation asks what the plan actually owed.

8.1 Scope of testing

Line tested	Re-derived from	Items	Coverage
Contributions due	Pensionable salary base and the contract rates, member by member	4,742	100%
Interest credited	Statutory minimum by contribution generation and the contract guarantee	11 years	100%
Benefit payments	Entitlement under the plan formula and the conversion basis in force	147	100%
Fees and loadings	The contract fee schedule	11 years	100%

8.2 Exceptions, quantified and aged

Ref	Line	Exception	Amount EUR	Aged	Status
C-01	Credited interest	Post-2024 contribution generation credited at 1.75%, the superseded statutory floor, rather than 2.50% effective 1 January 2025	19,804	12 months	EXCEPTION
C-02	Contributions	Employer contributions for three months calculated on a stale pensionable salary base, understating the base after the annual indexation	11,250	9 months	EXCEPTION
C-03	Fees	Reserve loading applied at 0.55% against a contract schedule specifying 0.50% for reserves above EUR 10 million	6,820	26 months	EXCEPTION
C-04	Benefit payments	Four lump sums paid using a conversion factor from the superseded mortality basis	4,130	18 months	NOTED
C-05	Deferred reserves	Fourteen leavers not offered the death-cover election required since 2016	compliance	up to 8 yrs	EXCEPTION
Total quantified exceptions			42,004		

8.3 What conformed

A conformity audit that reports only failures tells the Embassy nothing about the rest of the plan. Of the four lines tested, the following conformed without exception across the full eleven-year period: employer contribution *timing* against the contract due dates, in every one of 132 months; the allocation of employee contributions to individual member accounts; the application of the plan benefit formula to all 147 benefit events other than the four at C-04; and the treatment of death and disability claims, all 22 of which were settled on the correct basis and within the contractual period.

8.4 Remedies

Ref	Recommended remedy
C-01	Employer to fund the shortfall and instruct the insurer to split the generation on the reserve statement
C-02	Recalculate and remit the difference with statutory interest
C-03	Recover the overcharge and correct the schedule applied
C-04	Quantified; below the materiality threshold for restatement, corrected prospectively
C-05	Offer the election retrospectively and reserve for those who accept

On method. Before running against this plan, the checker was run against a ledger containing planted errors of each type reported above. A checker that cannot find known errors is not entitled to report that it found none. That test is repeatable and its results are available to the Embassy.

9. Sensitivity analysis

Task (e) asks us to stress the assumptions that most affect future costs or are least reliable for forward planning. Each stress below is applied to the approved basis one at a time, holding all else constant, on the same census.



Which assumptions carry the risk

Assumption	Risk carried	Comment
Discount rate	HIGH	Dominates every other assumption. At a duration of 21.2 years the obligation moves 24.3% on a 100 bp fall. It is also outside the Embassy's control, which is what makes it a budgeting risk rather than a management one.
Retirement age	MEDIUM	A one-year deferral reduces the obligation 4.2%. The statutory schedule is already legislated to 67 by 2030, so this is a known and directional movement rather than an open risk.
Salary growth	MEDIUM	A 50 bp movement moves the obligation 6.6%. Partly within the Embassy's control through the local compensation plan, and therefore the assumption most worth revisiting annually.
Mortality	LOWER	A 10% improvement adds 0.7%. Material but slow-moving, and the prospective tables already build in improvement.
Statutory guarantee	HIGH	Not a smooth sensitivity but a step. The 2025 increase alone added 19,804. A further increase under the WAP formula would apply to all subsequent generations and is not within anyone's control.

The combination that should be planned for. The stresses above are shown one at a time because that is the convention. They do not occur one at a time. A fall in the discount rate typically accompanies a fall in the insurer's renewable guarantee, while the statutory minimum is set by a formula that lags. The scenario that would hurt this plan most is a 100 bp fall in the discount rate arriving in the same year as a statutory minimum increase, which together would move the obligation by roughly 11,096,217. Section 11 recommends the Embassy budget against that combination rather than against any single line above.

10. Belgian legal compliance

Task (i) requires the plan to be tested for deviations from Belgian legislation and Task (j) requires anticipated changes to be reported with their impact. The plan was tested against each provision below. Items that conform are reported as conforming.

Provision	Authority	Result	Finding
Minimum acquired reserves (minimum financing)	WAP art. 19; KB Leven art. 48 §2	OBSERVATION	Reserves cover the minimum, measured on vested rights at 6% using the MR/FR tables, by 134.1% in aggregate. Nine members above age 55 carry individual shortfalls totalling 214,600, which the legislation requires to be financed collectively through the financing fund. The insurer statements show no such allocation. See 11.1.
Acquired reserves and vesting	WAP art. 30-31	CONFORMS	Immediate vesting applied. Reserves correctly transferred on exit for all 27 leavers tested.
Statutory minimum return on personal contributions, level	WAP art. 24	DEVIATION	The 2.50% rate effective 1 January 2025 was not applied to the personal contribution generations. See exception C-01. In a defined benefit plan this guarantee reaches the personal contributions; the plan-level test is minimum financing, above.
Statutory minimum return on personal contributions, method	WAP art. 24 §2	OBSERVATION	The horizontal method is applied, which is permitted, but the reserve statement does not separate contribution generations, so compliance cannot be demonstrated from the insurer statement alone.
Retirement age alignment	Law 18 Dec 2015	CONFORMS	Plan ages aligned to the statutory schedule by amendment. Members born 1960-1962 correctly moved to 66.
Death cover for deferred members	Law 18 Dec 2015	DEVIATION	The election required since 2016 was not offered to 14 leavers. See exception C-05.
Second pillar database reporting	DB2P	CONFORMS	Filings complete and timely for all eleven years tested.
Differentiation between categories	Anti-discrimination law	CONFORMS	No differentiation found on any protected ground. Category structure rests on objective function criteria.
Supervisory obligations	FSMA	CONFORMS	Insurer-side obligations; no employer breach identified.
Information to members	WAP art. 26	OBSERVATION	Annual benefit statements issued, but they do not disclose the statutory minimum return position, which limits members' ability to verify their own entitlement.

10.1 The Law of 18 December 2015, tested change by change

The Performance Work Statement directs attention to this Act specifically. It made three changes that reach this plan, and each is tested separately rather than as a single item.

1. Variable guaranteed return

The fixed guarantee was replaced by a rate set by formula, floored at 1.75% and capped at 3.75%. It held at 1.75% from 2016 through 2024 and rose to **2.50% on 1 January 2025**, its first movement in nine years.

DEVIATION. The increase was not credited. Quantified at 19,804 at exception C-01.

2. Retirement age alignment

Supplementary plan retirement ages must follow the statutory schedule, which reached 66 in 2025 and reaches **67 on 1 January 2030**.

CONFORMS. The plan was amended and members are modelled by cohort. The 2030 step is already reflected in the valuation for members born after 1962.

3. Death cover for deferred members

Since 2016, members leaving their reserves in the plan must be *offered* continued death coverage.

DEVIATION. Fourteen leavers were not offered the election. Both the liability and the compliance position are affected. See exception C-05.

10.2 Anticipated changes, and what they would cost

Anticipated change	Status	Effect on this plan, quantified where measurable
Statutory retirement age to 67	Legislated, 1 Jan 2030	Already valued. Reduces the obligation for affected cohorts by approximately 812,759.
Further movement in the statutory minimum return	Formula-driven, annual	Not measurable in advance. A further 25 bp increase would add roughly 13,000 a year on current contribution levels, applying to each subsequent generation.

Anticipated change	Status	Effect on this plan, quantified where measurable
Second pillar reform stream	Under discussion	Proposals to harmonise the treatment of defined benefit and defined contribution guarantees remain at consultation stage. No measurable effect yet; the Embassy should expect this to be a live item at the next review.
Mortality table revision	Periodic	The IA BE prospective tables are revised on a cycle. On the evidence of the last revision, a comparable update would move the obligation by roughly 0.4%.

11. Conclusions and sustainability

11.1 The financial situation of the fund

The plan is in deficit on the IAS 19 basis. At 31 December 2025 the defined benefit obligation is **45,602,290** and the fair value of plan assets is **42,182,119**, giving a deficit of **3,420,172** and a funded ratio of **92.5%**. The deficit is equivalent to 13.6% of pensionable payroll.

The plan meets the Belgian minimum financing requirement in aggregate, but not for every member. For a defined benefit plan the statutory solvency test is the minimum acquired reserve, computed on each member's vested rights at the calculation date and discounted at 6% using the MR/FR mortality tables. On that basis the minimum is **31,447,880** against reserves held of **42,182,119**, a coverage of **134.1%**. That comfortable aggregate is the expected result where a plan is financed on the level annual premium method, because the insurer prices below the statutory 6%. It is also not the end of the test. The requirement applies member by member, and **9 members above age 55 carry individual shortfalls totalling 214,600**, which is where these arise in practice. Belgian law requires such shortfalls to be financed collectively through the financing fund attached to the group insurance. **The insurer statements provided show no allocation having been made.** This is a finding rather than a computation, and it is the first item we would put to the insurer.

On contribution adequacy the position is less severe but the direction is the same. The plan is financed by both parties, so the correct comparison is total contributions against the cost of benefits accruing. Contributions of 2,640,550 a year, being 10.5% of pensionable payroll, exceed the current service cost of 2,443,532 by 197,019. At that rate, and holding every assumption still, the deficit closes in approximately 17 years. That is slow. It is also nowhere near fast enough to absorb a single adverse movement in the discount rate, which on the evidence of Section 9 would add 11,076,413 in one step, roughly 56 years of amortisation undone at a stroke.

The honest statement of what this means, and its limits. A valuation is a snapshot of financial condition at a date. It does not predict the plan's future and it does not guarantee its soundness. The conclusion above holds on the approved assumption set and on the census supplied. Section 9 shows how far the answer moves when those assumptions move, and the honest summary is that the discount rate matters more than anything the Embassy controls.

11.2 Threats to the solvency of the fund

#	Threat	Exposure	Nature
1	A fall in the discount rate	11,076,413 per 100 bp	Outside the Embassy's control. The dominant risk by a wide margin.
2	The widening gap between the contract guarantee and the statutory minimum on personal contributions	19,804 p.a. and rising	Structural. The contract guarantee has fallen every renewal while the statutory floor rose. The employer absorbs the difference.
3	Reserve loading compounding against a low guarantee	232,002 p.a.	Negotiable. At 0.55% on a reserve of this size the loading consumes roughly a third of the credited return.
4	Accumulated unremedied exceptions	42,004	Within the Embassy's control and correctable now. Ageing increases the statutory interest owed.

11.3 Measures that should be undertaken

#	Recommended measure	Timing	Effect
1	Fund the statutory minimum shortfall on the post-2024 generation and instruct the insurer to report reserves by contribution generation. Without generation-level reporting, compliance with WAP article 24 cannot be demonstrated from the insurer statement, which is a reporting failure independent of the money.	Immediate	Closes C-01 and the article 24 §2 observation
2	Offer the deferred-member death-cover election retrospectively to the 14 affected leavers and reserve for those who accept.	Immediate	Closes C-05
3	Recover the fee overcharge and correct the schedule applied.	Immediate	Recovers 6,820
4	Renegotiate the reserve loading at the next contract renewal. A reduction from 0.55% to 0.40% would return approximately 63,273 a year, which is comparable to the annual deficit amortisation the employer is currently funding.	Next renewal	Improves the funding run rate
5	Budget against the combined scenario at Section 9 rather than any single sensitivity, and revisit the salary growth assumption annually since it is the one assumption the Embassy partly controls.	Annual	Planning discipline
6	Commission the next review on a cycle rather than on demand, so that the statutory minimum is tested in the year it moves rather than several years later.	Cyclical	Prevents recurrence of C-01

12. Actuarial certification

I have performed an actuarial review of Demonstration Plan D-2026 as at 31 December 2025.

In my opinion, and subject to the limitations stated in this report:

- the actuarial assumptions set out at Section 4 are individually reasonable and reasonable in aggregate for the purposes of this valuation, having regard to the plan's experience and to current market and demographic evidence;
- the actuarial methods set out at Section 5 are appropriate for the purposes of this valuation and are applied in accordance with IAS 19 and with Belgian law applicable to the plan;
- the valuation results at Section 6 have been determined in accordance with those assumptions and methods, on the participant data described at Section 3, the accuracy and completeness of which is the responsibility of the employer and is certified at Appendix A5;
- the deviations from Belgian legislation reported at Section 10, and the exceptions reported at Section 8, are accurately described and quantified.

This opinion is rendered under the professional and ethical standards of the Institute of Actuaries in Belgium, of which I am a member in good standing. A valuation is a measurement of financial condition at a single date on a single set of assumptions. It does not predict the plan's future experience and it does not guarantee the soundness of the plan.

Serge Tubeecx
Actuary, member of the Institute of Actuaries in
Belgium
Certifying Actuary

Date

Why the certification is short. A certification that restates the report is not a certification, it is a summary. This one states exactly what the actuary is putting his name to, names what he is not, and points to where each supporting conclusion is set out. That is the form the Survey Report Guidelines call for at 2(d) and the form an auditor can actually rely on.

Appendices

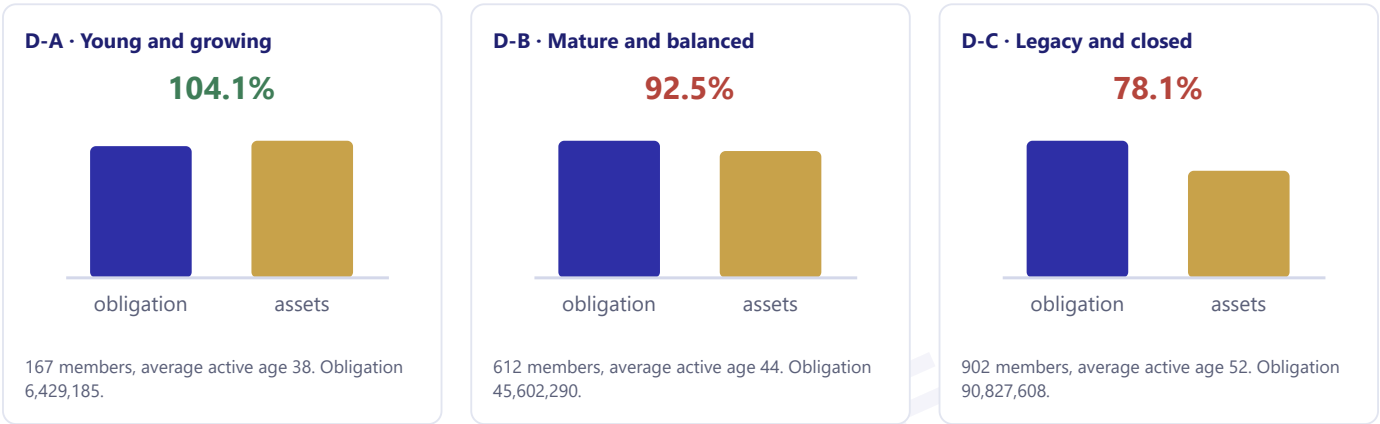
Ref	Appendix	Contents
A1	Participant data summary	Counts, age and service distribution, salary distribution, with prior-period comparison
A2	Plan provisions	Full statement of benefits valued, as summarised at 3.4
A3	Assumption tables	Mortality, withdrawal and retirement rates in full, with sources
A4	Expected benefit cash flows	Undiscounted projected outflow by year, thirty years
A5	Employer data certification	Signed statement by the Embassy that the participant data supplied is complete and accurate. This fixes responsibility where the knowledge sits and protects both parties if a census error surfaces later.
A6	Findings register	Every statement in this report tied to its data item or computation
A7	Other pertinent comment	Matters arising that fall outside the specified tasks

End of specimen. This document has demonstrated the form, depth and analytical content of the Survey Report on synthetic data. On award, the Embassy's census and the insurer's statements replace Demonstration Plan D-2026 and every figure above is regenerated from the approved assumption basis. The structure, the controls and the certification do not change.

Addendum: the same engine, three plans

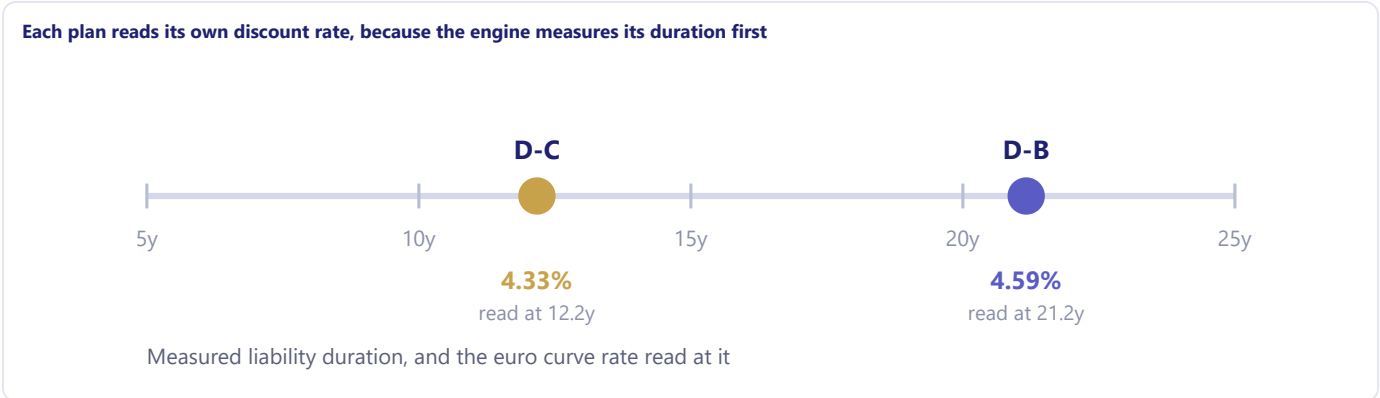
A Survey Report concerns one plan, and Sections 1 to 12 above concern Demonstration Plan D-B. This addendum exists for a different purpose: to show that the engine behind those figures is not tuned to one shape of plan. A model that only works on the plan it was built for is not a model, it is a spreadsheet.

The three plans below were valued on the same engine, the same code, the same assumption framework, on the same valuation date. They differ in the way real plans differ: in size, in maturity, and in whether they are open or closed. Everything else the engine works out for itself.



Plan	Character	Members	Act/Def/Pen	Obligation EUR	Duration	Discount	Funded	- 100 bp
D-A Young and growing	Open to new entrants, few retirees, long horizon.	167	142/18/7	6,429,185	29.3	4.63%	104.1%	+ 34.4%
D-B Mature and balanced	Open, three decades of history, a settled membership.	612	431/118/63	45,602,290	21.2	4.59%	92.5%	+ 24.3%
D-C Legacy and closed	Closed to new entrants, pensioner-heavy, short horizon.	902	214/286/402	90,827,608	12.2	4.33%	78.1%	+ 13.5%

What the three columns on the right are actually showing



This is the method claim, demonstrated rather than asserted. The three plans read 4.63%, 4.59% and 4.33% from the same published euro curve on the same day. Nobody chose those numbers. The engine measured each plan's own liability duration, 29.3, 21.2 and 12.2 years, and read the curve at that point. A young open plan is paying benefits decades away and sits far out on the curve; a closed plan mostly in payment sits near the front of it. Applying one convenient index rate to all three would misstate two of them.

And why the sensitivity differs so much

A 100 basis point fall in the discount rate moves D-A by 34.4 percent and D-C by only 13.5 percent. That is not a quirk of the model, it is duration doing what duration does. The practical consequence for an employer is direct: the young plan's obligation is volatile and largely outside management control, while the closed plan's is stable and its real risk lies elsewhere, in longevity and in the adequacy of its assets. The same review produces different advice for each, and it should.

Why this matters for the Embassy's plan specifically. We have not seen it. We do not know where it sits on the range above, and we will not guess. What we can say before award is that wherever it sits, the engine will measure it rather than assume it, and the discount rate in the report will be the one the plan's own duration earns. All three of these plans, and a fourth you can build yourself by moving the assumptions, run live in the Valuation Lab on the readiness portal.