



**INTERIM REPORT  
ON 30 JUNE 2021**

**ETHIAS GROUP**



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# I. INTRODUCTION

## I.1 General

The half-yearly report of the Ethias Group, hereafter "the Group", includes the management report, the consolidated financial statements prepared in accordance with IAS 34 "Interim financial reporting" as adopted by the European Union.

Unless otherwise specified, the amounts in this report are stated in thousands of euros.

The registered office of the company Ethias SA is situated in Belgium at the following address: rue des Croisiers 24 in 4000 Liège.

## I.2 Key figures

### I.2.1 Essential data of the consolidated income statement

In thousands of euros	30 June 2021	30 June 2020	Change of the year
<b>Non-Life</b>	<b>905,778</b>	<b>886,393</b>	<b>2.19%</b>
Public bodies and Companies	599,470	582,552	2.90%
Private Individuals	306,308	303,840	0.81%
<b>Life</b>	<b>665,417</b>	<b>628,193</b>	<b>5.93%</b>
Public bodies and Companies	644,088	610,890	5.43%
Private Individuals	21,329	17,303	23.27%
<b>Total premium collection Life and Non-Life</b>	<b>1,571,195</b>	<b>1,514,586</b>	<b>3.74%</b>
Net profit (loss) on current transactions after tax	120,829	93,719	28.93%
Share of the associated companies in the result	202	(230)	-187.79%
<b>Net consolidated income</b>	<b>121,031</b>	<b>93,488</b>	<b>29.46%</b>
Group's share	112,701	87,733	28.46%
Non-controlling interests	8,330	5,755	44.74%

### I.2.2 Essential data of the consolidated financial position

In thousands of euros	30 June 2021	31 December 2020	Change of the year
Total assets	20,718,431	20,840,431	-0.59%
<b>Equity of the Group</b>	<b>2,972,393</b>	<b>3,004,278</b>	<b>-1.06%</b>
Non-controlling interests	65,863	69,453	-5.17%

### I.2.3 Regulatory coefficients

	30 June 2021	31 December 2020	Change of the year
Solvency ratio of the company Ethias SA	184%	187%	-3%

The Solvency II margin at end-June 2021, established according to the standard formula, stands at 184.1% after deduction of a foreseeable dividend of 52.5 million euros. Excluding this foreseeable dividend, the SII margin amounts to 187.5%.

## I.2.4 Other key figures

	30 June 2021	31 December 2020	Change of the year
<b>Number of employees</b>	<b>4,242</b>	<b>4,142</b>	<b>2.41%</b>
Ethias SA	1,929	1,923	0.31%
NRB Group	2,233	2,137	4.49%
IMA Benelux	80	82	-2.44%

## I.3 Key facts of the first half of 2021

### I.3.1 Financial market developments in the first half of 2021

From the beginning of the year, the financial markets welcomed the first vaccination campaigns (albeit at a different pace depending on the country), as well as the major US stimulus plans for consumption and investment. Other events then fuelled investor optimism.

In March, the economic growth figures published were very good in the United States, followed some months later by Europe. Recovery set in around the world: fewer infections, more vaccinations, reopening of economic activities and mobility.

Companies reported good results for the first three months of the year and financial analysts raised their forecasts for full-year corporate results.

Businesses and households continued to benefit from public support. Central banks continued to support the economy by buying securities and keeping rates low. At the end of the quarter, however, the FED mentioned that it might normalize rates sooner than expected.

In June, the sharp rise in inflation figures (especially in the United States) slowed the movement somewhat. Companies are namely faced with a shortage of intermediate goods (in semiconductors), a break in production chains and a rise in the price of raw materials (the price of a barrel of oil has risen by 46 % since the beginning of the year).

Against this backdrop of renewed growth and inflation, bond yields have risen considerably since the beginning of the year. Indeed, the 10-year swap rate rose from -0.26 % at the beginning of January to 0.10 % at 30 June (+36 bp). The same dynamics for the 10-year OLO rate, which was in negative territory on 31 December 2020 (-0.38 %) and which rose to 0.10 % on 30 June (+49 bp).

For their part, the equity indices performed well during the first half of 2021 (Eurostoxx50: +14.40 %, S&P: +18 %, CAC40: +17 %, DAX: +13 %, BEL20: +14 %, IBEX: +9 %, FTSE MIB: +13 %).

### I.3.2 The COVID-19 pandemic

In 2021, Ethias has pursued its four-phase strategy that was adopted at the beginning of the crisis, namely the protection of its employees, its clients, the company and society at large.

With regard to employee protection, the company has continued to take care of the well-being of its employees by implementing various initiatives (psychological support, finding solutions for relatives affected by illness or worries about childcare during school closures, etc.).

Ethias has also continued to offer initiatives in favour of its B2C and B2B clients. In addition to extending coverages and granting payment delays, Ethias has also provided free Civil Liability and Bodily Injury insurance for all vaccination centres and has offered psychological support services to students, self-employed and small businesses insured with Ethias. For the latter, financial assistance has also been provided.

With regard to the protection of society, Ethias is involved in projects related to the economic recovery at both federal and regional levels and has been able to concretize its participation through the following initiatives:

- granting a loan to SRIW;
- participating as an expert in sessions related to the organization of project financing at the federal level;
- participating in the capital increase of Finance&Invest.Brussels;
- participating in a private placement for the German-speaking region;
- participating in the launch of the “Welvaartsfonds” (Prosperity Fund) together with PMV and signing the charter as an investor partner.

Ethias' investment in these various projects is important in terms of its values and the meaning it intends to give to its societal role. More than a mere investment in the financial sense, it is a willingness to take responsibility for meeting the needs of society, a principle rooted in the company's DNA.

Finally, despite the positive figures, Ethias remains attentive to controlling its costs (significant reduction in consultancy costs and other expenses, in particular through specific cost-reduction work or control of IT costs with “CommIT”) and to implementing levers for protecting its solvency.

### **I.3.3 Double increase in Fitch rating**

In June 2021, the agency Fitch upgraded the IFS rating of Ethias SA from "A-, stable outlook" to "A, positive outlook". This double increase demonstrates Ethias' financial strength, good profitability and robust business model. Through the upgrade of the insurer's rating, Fitch underlines that Ethias has consolidated its very strong capitalization, its low financial debt ratio (leverage), its strong operating performance since the execution of its multi-year action plan as from 2018 and its very good solvency level. The ratings actions also consider the resilience of these factors during the COVID-19 pandemic. The positive outlook reflects Fitch's view that the Ethias Group could achieve a combined ratio sustainably below 95 %, while maintaining its very strong capitalisation and low financial debt ratio (leverage) over the next 12 to 24 months.

### **I.3.4 Dividends**

The General Assembly of 19 May 2021 approved the distribution of a dividend of 103 million euros for the 2020 financial year, as the criteria imposed by the NBB in its circular of January 2021 were met.

### **I.3.5 Relocation of the Liège head office**

After a survey amongst its employees and the approval of its Board of Directors, Ethias has chosen to establish its future Liège head office in a new building to be located in the "Rives Ardentes" eco-district. The earliest date for completion is end-2024.

The current building will be sold.

### **I.3.6 Partnership with Test-Achats**

Ethias continues to strengthen its digital strategy through a partnership with Test-Achats. Since January 2021, its car insurance product has been integrated into the Test-Achats price comparator.

### **I.3.7 Group strategy**

Ethias continues to implement its group strategy, which consists of further capitalizing on the strengths and specificities of its subsidiaries (NRB, IMA Benelux, Ethias Services, etc.) in order to position the Ethias Group as a value generator group for all its stakeholders.

This strategy is based, on the one hand, on strengthening the integration of the Group's entities and, on the other hand, on a "beyond insurance" approach, i.e. evolving from an insurer's strategy towards a strategy of integrated services for the benefit of clients.

Within this context, Ethias Services SA (a 99.9 % owned subsidiary of Ethias SA) has developed and marketed a whole series of new services (skills & psychosocial risk management, risk management, fire risk management, etc.), mainly for B2B customers as a first step. New services will be added as and when market needs are identified. In addition, digital acceleration, another pillar of Ethias' group strategy, is strongly supported by NRB (a 68.39 % owned subsidiary), which is working on the development of numerous functionalities (online opening and follow-up of claims, e-invoicing, e-documents, etc.).

### I.3.8 Innovation dynamics

Ethias is clearly committed to innovation with the support of the group's entities, both in terms of products and services, in order to best meet the needs of its clients and the general public. This is why in June Ethias launched a digital showcase of its innovations through the website Ethihub.be (<https://ethihub.be/>). With this new showcase, Ethias wishes to share its know-how in the development of new services and promote co-creation, always with a view to societal progress. This website reflects the work of Ethihub, a true laboratory created by Ethias to encourage innovation within the Group, boasting over 4,000 talents. The Hub aims to accelerate this innovation culture. The focus is on the themes of Mobility, Health and Housing.

The new services and innovative solutions offered to customers are as follows:

- **Liberty Rider:** this is an app of which the premium version allows, among other things, to automatically alert the emergency services in the event of a fall or accident on a motorcycle.
- **Jeasy:** this is an app that allows users to organize their mobility by providing them with a complete view of the different mobility solutions available and the best way to use them for their trips. Ethias makes this personal assistant available to its website visitors who are looking for intermodal and greener mobility. Jeasy is also directly accessible to our policyholders via the Ethias Mobility & More app.
- **Remote check of the vehicle's bodywork:** thanks to this solution, clients no longer have to go to an Ethias office when taking out a comprehensive (omnium) insurance for a second-hand vehicle.
- **MoveUp:** this is a digital platform that allows for personalized remote monitoring of patients undergoing bariatric surgery, before the operation and during revalidation.

### I.3.9 Best Brand Awards 2021

The Best Brands Awards 2021 were presented in April. Ethias came out on top in terms of "Share of Soul", i.e. the insurance brand recognized for creating the strongest emotional and affective bond. This recognition reflects the human relationship that Ethias builds every day with and for its policyholders, which is more essential than ever in the current context. In terms of "Share of Market", Ethias is ranked third, just behind AG Insurance and KBC.

### I.3.10 EcoVadis

EcoVadis, one of the leading CSR rating agencies, conducted a non-financial audit of Ethias, i.e. an assessment of the way Ethias integrates ESG elements (Environmental, Social and Governance criteria) into its operations. The scorecard is based on 4 dimensions: environment, social & human rights, ethics and responsible purchasing. With a score of 57, Ethias has improved by 18 % and is now in the top 25 %, above the sector average on all four dimensions.

### I.3.11 DECAVI

The quality of its products and services was once again rewarded as Ethias won **6 DEVACI Trophies** in Non-Life insurance in the following areas:

- Tenant Insurance;
- Family Insurance;
- Workers' Compensation Insurance;
- Innovation Companies - Ethias Mobility & More;
- Prevention;
- Societal - Pandemic.

The jury was once again won over by Ethias' strong commitment to society and its willingness to respond to new needs by offering various innovative and easily accessible products and services in an agile manner.

Ethias' values and strategy during the pandemic were also praised for the second time by the insurance sector.

### I.3.12 Publication of our 4<sup>th</sup> CSR Report, testimony to Ethias' long-standing involvement in Corporate Social Responsibility

Ethias has published its 4<sup>th</sup> non-financial report since the transposition of the European Directive 2014/95/EU into Belgian law. This report shows the extent of Ethias' commitment to Belgian society and presents the annual overview of its actions within the framework of Corporate Social

Responsibility (CSR) in three areas: People, Profitability and Planet. In addition, there is an extensive chapter on its sustainable investment strategy and governance.

Ethias' approach is anchored in global concerns and its 2020 action plan focuses on 3 of the 17 SDGs developed by the United Nations: poverty, health and climate (SDG 1, 3 & 13). In 2021, a fourth goal is added to these ambitions: **sustainable cities and communities** (SDG 11).

## I.4 Result of the financial year

The first half of 2021 records a net result of 113 million euros for the Group, split between the Non-Life business (82 million euros), the Life business (62 million euros), the other activities of the Group (2 million euros) and taxes (-32 million euros). Taking into account minority interests, the consolidated net result amounts to 121 million euros.

The increase in the group's net income compared to June 30, 2020 (+25 million euros) is mainly explained by the evolution of non-recurring financial results, by the impact of the storms in February 2020 and by the result of the SICAV "Ethias Sustainable Investment Fund", partially offset by higher claims costs in Non-Life, and more specifically in Motor, which had strongly decreased in 2020 following the pandemic, and by the write-down of the Ethias head office following the decision to sell by the Board of Directors.

## I.5 Management of financial and insurance risks

### I.5.1 Concentration risk

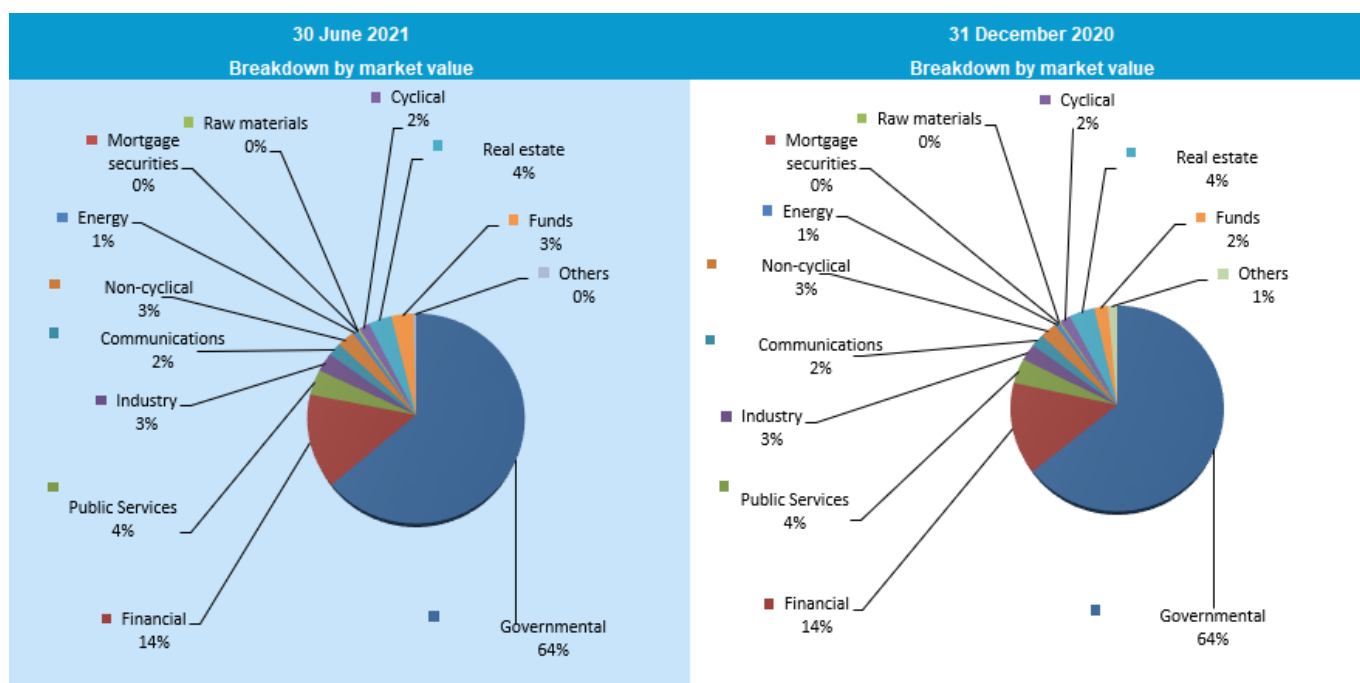
The concentration risk on the market risks includes the risk of additional losses borne by the company as a result of either, the lack of diversification in its assets portfolio (losses increased by the concentration of investments in a geographical zone or activity sector) or an important exposure to the default risk of one and only issuer of securities or of a group of related issuers.

#### I.5.1.1 Sectoral distribution

In order to manage the concentration at sectoral level of the financial assets, the financial limits system groups the assets together per distinct asset class and defines an asset allocation strategy which allows a sound diversification.

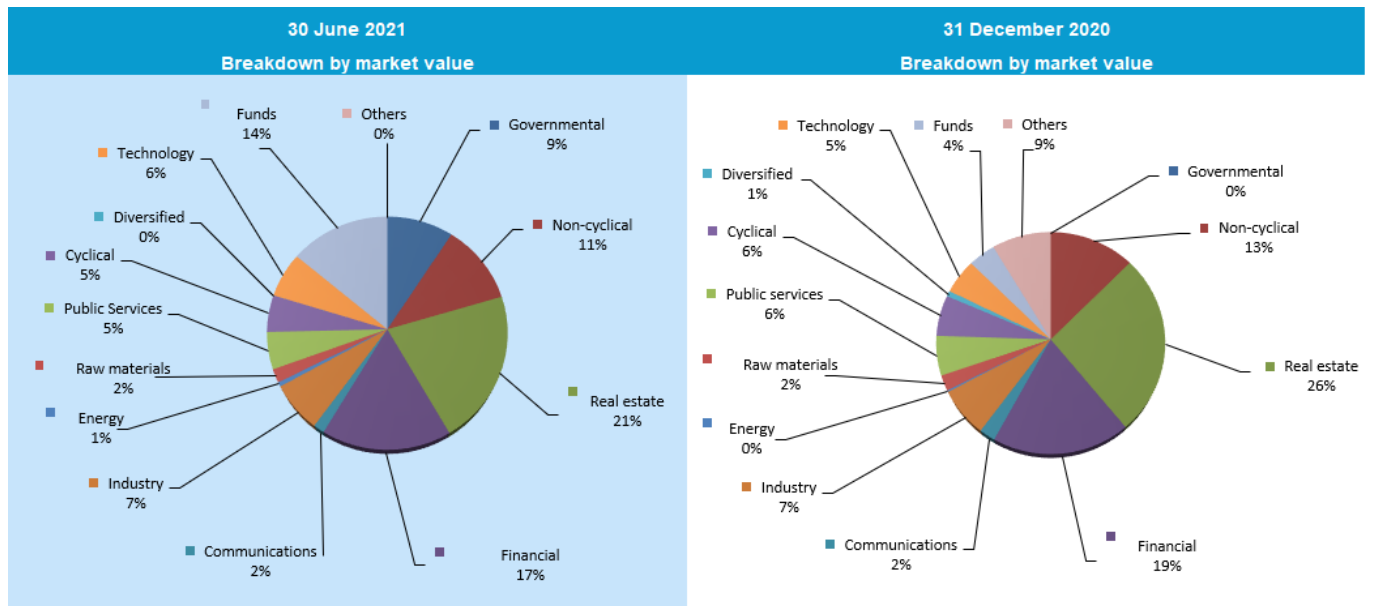
In 2020 and 2021, the sectoral distribution of the shares and investment funds as well as of the bonds and similar securities invested appears as follows:

#### Bonds and similar securities:





## Shares, participating interests and investment funds:



### I.5.1.2 Exposure to sovereign risk

At end-June 2021, the part invested in sovereign or supranational debt amounts to 69 % of the total amount of the fair value of all the bonds (i.e. 10,443.0 million euros on a total of 15,186.5 million euros). End-2020, this part amounted to 67% (i.e. 10,426.4 million euros on a total of 15,505.7 million euros).

The table hereafter shows the exposure relating to debts issued or guaranteed by governments, in fair value, per geographical zone.

In thousands of euros, in market value

	30 June 2021	31 December 2020
Germany	622,239	403,191
Austria	162,898	174,182
Belgium	3,919,788	3,981,258
Spain	894,586	966,220
Central and Eastern Europe	499,830	565,218
France	1,410,116	1,519,345
Ireland	515,883	559,948
Italy	466,622	434,799
The Netherlands	13,874	20,677
Scandinavia	103,263	46,547
Portugal	784,525	847,423
Supranational securities	774,602	691,969
Others	274,755	215,598
<b>Total</b>	<b>10,442,980</b>	<b>10,426,376</b>

Within the framework of credit risk management, the details of sovereign risk exposure as mentioned above are analysed whilst including all debts issued or guaranteed by governments without limitation to their activity sector. By way of example, securities of companies active in public services but guaranteed by the Belgian state are considered as government and similar debts. This explains why the total amount of sovereign risk exposure, 10,443.0 million euros per June 30, 2021 (against 10,426.4 million euros per December 31, 2020), is higher than the amount mentioned under the sector "Governmental", i.e. 9,677.5 million euros (against 9,935.9 million euros per December 31, 2020).

## I.5.2 Credit spread risk

The spread risk is the risk associated with the sensitivity of the value of assets and financial instruments to changes which affect the level or volatility of credit spreads towards the risk-free interest rate curve.

The spread risk is managed through limits which take into account the type of exposure to the credit risk, and the quality of the credit as well as through regular supervision of all portfolios. Concentration risk management also helps mitigate the spread risk.

The financial assets to which the spread risk relates are broken down below per credit rating. The amounts proposed are adjusted with the amount of transactions between the companies of the Group.

We consider as reference rating the second best rating available from Moody's, Fitch and Standard & Poor's on the closing date.

In thousands of euros In market value	30 June 2021						
	AAA	AA	A	BBB	BB and below	No rating	Total
Bonds and similar securities	956,888	6,217,396	2,560,974	4,536,968	152,073	762,242	15,186,541
Loans and deposits	-	15,477	53,605	-	-	632,244	701,326
Receivables	-	-	-	-	-	520,086	520,086
Cash and cash equivalents	336	745	408,056	7	1,353	57,776	468,272
<b>Total</b>	<b>957,224</b>	<b>6,233,617</b>	<b>3,022,635</b>	<b>4,536,974</b>	<b>153,426</b>	<b>1,972,348</b>	<b>16,876,225</b>

In thousands of euros In market value	31 December 20						
	AAA	AA	A	BBB	BB and below	No rating	Total
Bonds and similar securities	816,637	6,444,242	2,721,842	4,637,957	174,425	710,577	15,505,679
Loans and deposits	-	14,506	68,158	-	-	586,610	669,275
Receivables	-	-	47	-	-	513,601	513,648
Cash and cash equivalents	207	52	489,657	-	323	41,505	531,744
<b>Total</b>	<b>816,844</b>	<b>6,458,801</b>	<b>3,279,705</b>	<b>4,637,957</b>	<b>174,747</b>	<b>1,852,293</b>	<b>17,220,346</b>

For "Bonds and similar securities", very few changes in rating are observed in 2021. The evolutions are due to reinvestments (for example in AAA govies) and to the variation of the market values of investments.

## I.6 Events subsequent to the date of the consolidated balance sheet

July was a month of exceptionally adverse weather conditions in Belgium. The human loss and material damage resulting from these floods is unprecedented. The consequences for Ethias today represent more than 12,000 claims declarations to be managed in B2C and B2B. Ethias' responsibility is to deal with this as quickly as possible in order to repair what can be repaired for the benefit of its policyholders. Several measures have therefore been put in place: the claims teams have been strengthened (telephone reception, claims management and capacity in terms of expertise), Ethias has provided on-site support to affected clients (setting up of mobile crisis centres, automatic advance of funds, psychological support, etc.) and new initiatives have been developed: organizing late night and weekend sessions with experts, drawing up quotations on a large scale ("quotation factories"), etc.

Thanks to the protocol agreement between the Walloon Region and the insurers splitting the exceptional burden caused by this natural disaster, Ethias' insureds in simple risks will be fully compensated. On this basis, Ethias estimates that the net cost of claims will have an impact of between 70 million and 80 million euros on its result (before tax). As this event took place after the closing date of the accounts, the result as at 30 June 2021 is not impacted.

According to the recent satisfaction survey carried out by Test-Achats among its subscribers, Ethias stands out as the only company receiving 5 stars, which corresponds to a very high level of satisfaction among our policyholders! As this result only takes into account the opinions of those who have suffered damage to their homes over the last five years, it confirms the excellent work we do in managing claims.

## II. CONSOLIDATED FINANCIAL STATEMENTS

### II.1 Consolidated balance sheet

In thousands of euros	Note	30 June 2021	31 December 2020
<b>Goodwill</b>	<b>IV.1</b>	<b>74,079</b>	<b>71,593</b>
<b>Other intangible assets</b>	<b>IV.2</b>	<b>109,953</b>	<b>114,046</b>
<b>Operational buildings and other tangible fixed assets</b>	<b>IV.3</b>	<b>43,058</b>	<b>80,947</b>
<b>Right-of-use of assets</b>		<b>40,361</b>	<b>34,873</b>
<b>Investments in associated companies</b>		<b>26,674</b>	<b>26,156</b>
<b>Investment properties</b>	<b>IV.3</b>	<b>486,715</b>	<b>490,742</b>
Financial assets available for sale		15,946,231	16,146,534
Financial assets at fair value through profit and loss		449,381	438,743
Loans, deposits and other financial investments recognized at amortized cost		679,616	646,262
Derivative financial instruments		25,703	29,663
Investments belonging to unit-linked insurance contracts		1,576,922	1,491,140
<b>Financial investments</b>	<b>IV.4</b>	<b>18,677,854</b>	<b>18,752,343</b>
<b>Reinsurers' share of technical provisions</b>	<b>IV.8</b>	<b>182,408</b>	<b>157,602</b>
<b>Deferred tax assets</b>	<b>IV.5</b>	<b>245</b>	<b>234</b>
<b>Receivables arising from insurance operations or accepted reinsurance</b>	<b>IV.6</b>	<b>267,580</b>	<b>217,848</b>
<b>Receivables arising from ceded reinsurance operations</b>	<b>IV.6</b>	<b>74,080</b>	<b>124,132</b>
<b>Other receivables</b>	<b>IV.6</b>	<b>178,426</b>	<b>171,669</b>
<b>Any other assets</b>		<b>47,994</b>	<b>47,633</b>
<b>Cash and cash equivalents</b>		<b>468,272</b>	<b>531,744</b>
<b>Assets available for sale including assets from discontinued operations</b>	<b>IV.7</b>	<b>40,732</b>	<b>18,868</b>
<b>Total assets</b>		<b>20,718,431</b>	<b>20,840,431</b>

Share capital		1,000,000	1,000,000
Reserves and retained earnings		1,300,982	1,197,489
Net profit (loss) of the period		112,701	207,672
Other items of comprehensive income		558,710	599,117
<b>Equity of the Group</b>		<b>2,972,393</b>	<b>3,004,278</b>
<b>Non-controlling interests</b>		<b>65,863</b>	<b>69,453</b>
<b>Total equity</b>		<b>3,038,256</b>	<b>3,073,731</b>
Insurance contract liabilities		9,185,302	9,067,276
Investment contract liabilities with discretionary participation features		4,805,000	4,997,580
Investment contract liabilities without discretionary participation features		3,216	3,227
Liabilities belonging to unit-linked insurance contracts		1,576,922	1,491,140
Profit sharing liabilities		2,902	39,666
<b>Insurance and investment contract liabilities</b>	<b>IV.8</b>	<b>15,573,341</b>	<b>15,598,890</b>
<b>Subordinated debts</b>	<b>IV.9</b>	<b>479,223</b>	<b>487,694</b>
<b>Lease obligations due in less than one year</b>	<b>IV.9</b>	<b>13,806</b>	<b>13,285</b>
<b>Lease obligations due in more than one year</b>	<b>IV.9</b>	<b>26,838</b>	<b>21,794</b>
<b>Other financial debts</b>	<b>IV.9</b>	<b>687,903</b>	<b>685,061</b>
<b>Employee benefits</b>	<b>IV.10</b>	<b>229,443</b>	<b>285,032</b>
<b>Provisions</b>		<b>22,092</b>	<b>27,967</b>
<b>Derivative financial instruments</b>		<b>14,295</b>	<b>925</b>
<b>Tax liabilities payable</b>		<b>62,613</b>	<b>32,589</b>
<b>Deferred tax liabilities</b>	<b>IV.5</b>	<b>70,217</b>	<b>87,295</b>
<b>Liabilities from operating activities</b>	<b>IV.11</b>	<b>226,149</b>	<b>283,426</b>
<b>Other payables</b>	<b>IV.11</b>	<b>274,256</b>	<b>242,742</b>
<b>Liabilities related to assets available for sale and discontinued operations</b>	<b>IV.7</b>	<b>-</b>	<b>-</b>
<b>Total other liabilities</b>		<b>17,680,175</b>	<b>17,766,700</b>
<b>Total liabilities</b>		<b>20,718,431</b>	<b>20,840,431</b>

The statements and notes of sections II. to V. form an integral part of the consolidated financial IFRS statements as at 30 June 2021.

## II.2 Consolidated income statement

In thousands of euros	Notes	30 June 2021	30 June 2020
Gross premiums		1,571,195	1,514,586
Premiums ceded to reinsurers		(39,746)	(33,034)
Change in the provision for unearned premiums and outstanding risks <sup>(a)</sup>		(191,180)	(191,574)
Other income from insurance activities		2,714	2,616
<b>Revenues from insurance activities <sup>(a)</sup></b>	<b>V.1</b>	<b>1,342,982</b>	<b>1,292,594</b>
<b>Revenues from other activities</b>		<b>255,624</b>	<b>157,065</b>
Net income from investments		198,709	199,816
Net realized gains or losses on investments		16,209	17,668
Change in fair value of investments through profit and loss <sup>(b)</sup>		91,040	(81,099)
<b>Net financial income</b>	<b>V.3</b>	<b>305,958</b>	<b>136,385</b>
<b>NET REVENUES</b>		<b>1,904,565</b>	<b>1,586,044</b>
Claims and insurance benefits		1,304,334	1,094,138
Net expenses or revenues ceded to reinsurers		(14,831)	(8,326)
Management costs <sup>(c)</sup>		184,242	179,596
<b>Technical expenses for insurance activities</b>	<b>V.2</b>	<b>1,473,745</b>	<b>1,265,409</b>
<b>Expenses for other activities</b>		<b>250,548</b>	<b>148,209</b>
Change in depreciation and amortization on investments (net)	V.3	3,492	17,217
Other investment financial expenses	V.3	7,203	6,821
Finance costs		13,726	14,521
<b>Financial and financing expenses</b>		<b>24,422</b>	<b>38,560</b>
<b>NET EXPENSES</b>		<b>1,748,715</b>	<b>1,452,177</b>
<b>NET PROFIT (LOSS) BEFORE TAX</b>		<b>155,850</b>	<b>133,867</b>
Income taxes		(35,021)	(40,148)
<b>NET PROFIT (LOSS) AFTER TAX</b>		<b>120,829</b>	<b>93,719</b>
Share of the associated companies in the result		202	(230)
Net profit (loss) from discontinued operations		-	-
<b>Net consolidated profit (loss)</b>		<b>121,031</b>	<b>93,488</b>
Group's share		112,701	87,733
Non-controlling interests		8,330	5,755

a) Net of reinsurance

b) Including change in fair value of investments of which the financial risk is supported by the insured

c) Including contract acquisition costs, administration costs, internal claim handling costs and other technical expenses

## II.3 Statement of consolidated comprehensive income

In thousands of euros	30 June 2021	30 June 2020
<b>NET CONSOLIDATED PROFIT (LOSS)</b>	<b>121,031</b>	<b>93,488</b>
Actuarial gains and losses on defined benefit pension liabilities	37,327	(7,920)
Tax	(9,332)	1,980
<b>Items that will not be reclassified to the income statement</b>	<b>27,995</b>	<b>(5,940)</b>
Change in fair value of financial assets available for sale	(92,159)	(25,748)
Change in fair value of derivative instruments designated as cash flow hedges	(16,342)	12,260
Tax	40,098	(9,112)
<b>Items likely to be reclassified to the income statement</b>	<b>(68,403)</b>	<b>(22,600)</b>
<b>TOTAL OF OTHER ITEMS OF COMPREHENSIVE INCOME OF THE FINANCIAL YEAR</b>	<b>(40,407)</b>	<b>(28,540)</b>
<b>NET CONSOLIDATED COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>	<b>80,624</b>	<b>64,949</b>
Group's share	72,294	59,193
Non-controlling interests	8,330	5,755

## II.4 Consolidated cash flows statement

In thousands of euros	Notes	30 June 2021	30 June 2020
<b>Net profit (loss) before tax (Total 1)</b>		<b>155,850</b>	<b>133,867</b>
Depreciations and impairments on intangible and tangible assets	IV.2, IV.3	38,790	37,188
Change in depreciations on financial instruments and investment properties	IV.3, IV.4, V.3	3,492	17,217
Change in fair value on investments through profit or loss	IV.4, V.3	(91,040)	81,099
Provisions for risks and expenses, and other liabilities		(26,035)	(30,718)
Change in provisions of insurance and investments contracts	IV.8	341,627	125,368
Deduction of amounts included in the current result before tax for inclusion in the actual cash flows		(187,551)	(185,110)
<b>Corrections of the amounts that do not impact cash flows (Total 2)</b>		<b>79,284</b>	<b>45,045</b>
Dividends and instalments on earned dividends		23,859	13,039
Earned financial income	V.3	235,996	244,052
Use of provision for employee benefits		(6,651)	(7,588)
Change in current receivables and debts	IV.6, IV.11	36,895	32,696
Change in liabilities from insurance and investments contracts	IV.8	4,144	(1,727)
Tax paid		(37,137)	(10,632)
<b>Other changes (Total 3)</b>		<b>257,107</b>	<b>269,839</b>
<b>Net cash flows from operating activities (Total 1+2+3)</b>		<b>492,241</b>	<b>448,751</b>
Shares in subsidiaries, net of acquired cash in hand	III.3	(13,392)	(6,254)
Acquisitions of financial assets and investment properties	IV.3, IV.4	(2,143,713)	(2,334,420)
Acquisitions of intangible and tangible fixed assets	IV.2, IV.3	(14,723)	(45,925)
Disposals of shares in subsidiaries, net of transferred cash	III.3	-	675
Disposals of financial assets and investment properties	IV.3, IV.4	1,748,748	1,556,241
Disposals of intangible and tangible fixed assets	IV.2, IV.3	36	3,539
<b>Net cash flows from investing activities</b>		<b>(423,043)</b>	<b>(826,144)</b>
Subscription to capital increase		4	-
Capital refund		-	-
Dividends paid by the parent company		(103,000)	-
Dividends paid to third parties		(7,365)	(5,695)
Issues of financial liabilities	IV.9	11,922	77
Refund of financial liabilities	IV.9	(2,297)	(1,332)
Interests paid on financial liabilities		(21,985)	(23,166)
Issuance of lease obligations	IV.9	4,926	46,810
Reimbursement of lease obligations	IV.9	(8,263)	(23,035)
Interest paid on lease obligations		(200)	(531)
<b>Net cash flows from financing activities</b>		<b>(126,257)</b>	<b>(6,871)</b>
<b>Total cash flows</b>		<b>(57,059)</b>	<b>(384,265)</b>
<b>Cash or cash equivalents at the beginning of the period</b>		<b>(90,464)</b>	<b>216,982</b>
<b>Cash or cash equivalents at the end of the period</b>		<b>(147,608)</b>	<b>(159,260)</b>
Change in the cash accounts		(57,059)	(384,265)
Impacts of exchange rate differences of foreign currency and of other transactions		(73)	7,000
Changes in accrued interests not yet due on cash equivalents		(12)	1,022
<b>Change in cash</b>		<b>(57,144)</b>	<b>(376,243)</b>

## II.5 Consolidated statement of changes in equity

In thousands of euros	2021						
	Subscribed capital	Result carried forward	Unrealized gains and losses	Others	Equity of the Group	Non-controlling interests	Total equity
<b>Equity as of 1 January</b>	<b>1,000,000</b>	<b>1,405,161</b>	<b>602,804</b>	<b>(3,686)</b>	<b>3,004,278</b>	<b>69,453</b>	<b>3,073,731</b>
Net consolidated profit (loss)	-	112,701	-	-	112,701	8,330	121,031
Total of other items of comprehensive income of the financial year	-	-	(57,413)	17,006	(40,407)	-	(40,407)
Other movements	-	-	-	-	-	-	-
<b>Net consolidated comprehensive income</b>	<b>-</b>	<b>112,701</b>	<b>(57,413)</b>	<b>17,006</b>	<b>72,294</b>	<b>8,330</b>	<b>80,624</b>
Capital movements	-	-	-	-	-	4	4
Dividends	-	(103,000)	-	-	(103,000)	(7,365)	(110,365)
Change in the consolidation scope	-	(1,521)	-	-	(1,521)	(4,218)	(5,738)
Other movements	-	342	-	-	342	(342)	(0)
<b>Equity as of 30 June</b>	<b>1,000,000</b>	<b>1,413,683</b>	<b>545,391</b>	<b>13,320</b>	<b>2,972,393</b>	<b>65,863</b>	<b>3,038,256</b>

In thousands of euros	2020						
	Subscribed capital	Result carried forward	Unrealized gains and losses	Others	Equity of the Group	Non-controlling interests	Total equity
<b>Equity as of 1 January</b>	<b>1,000,000</b>	<b>1,197,212</b>	<b>464,881</b>	<b>25,642</b>	<b>2,687,735</b>	<b>65,374</b>	<b>2,753,109</b>
Net consolidated profit (loss)	-	87,733	-	-	87,733	5,755	93,488
Total of other items of comprehensive income of the financial year	-	-	(43,030)	14,490	(28,540)	-	(28,540)
Other movements	-	-	-	-	-	-	-
<b>Net consolidated comprehensive income</b>	<b>-</b>	<b>87,733</b>	<b>(43,030)</b>	<b>14,490</b>	<b>59,193</b>	<b>5,755</b>	<b>64,949</b>
Capital movements	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(5,695)	(5,695)
Change in the consolidation scope	-	277	-	-	277	(3,056)	(2,779)
Other movements	-	-	-	-	-	-	-
<b>Equity as of 30 June</b>	<b>1,000,000</b>	<b>1,285,222</b>	<b>421,851</b>	<b>40,132</b>	<b>2,747,205</b>	<b>62,379</b>	<b>2,809,585</b>

The column "Unrealized gains and losses" shows, after application of shadow accounting, the net change in unrealized gain or loss recognized on available-for-sale assets, as well as the related deferred taxes.

The column "Others" mainly includes the reserve for actuarial gains and losses on pension obligations, net of taxes, and the revaluations of the derivative hedging instruments.

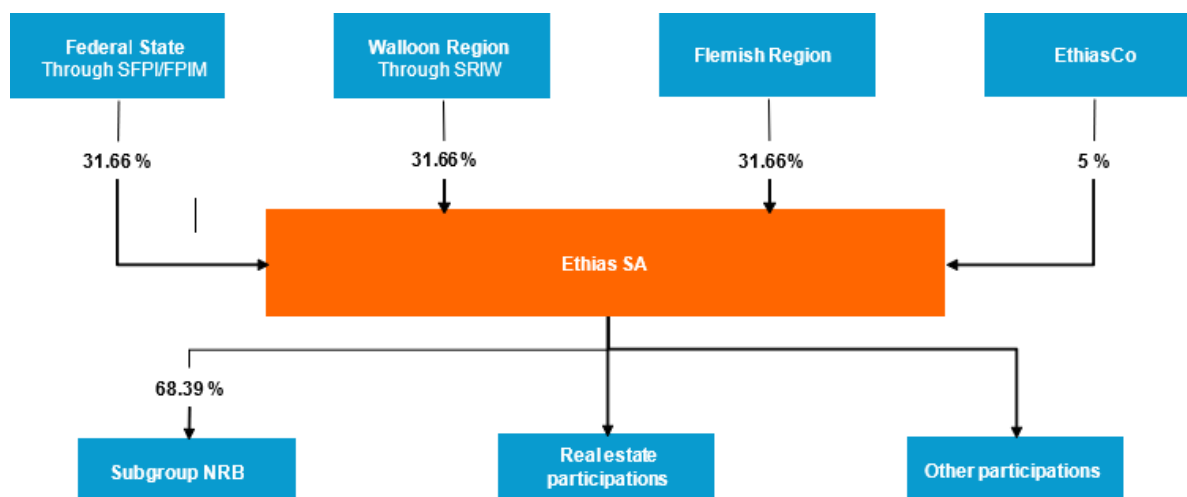
In 2021, the line "Change in scope" includes a decrease in the Group's equity following the change in percentage of Computerland. Minority interests are also impacted by this change as well as by the integration of PDP and SDP in the consolidation. In 2020, the line "Change in scope" includes an increase in the Group's equity following the change in Xperthis SA's percentage resulting from the intra-group transfer of participating interests in the latter. Minority interests are also impacted by this change as well as by the integration of People & Technology, the Computerland group and Infohos in the consolidation.



## III. GENERAL INFORMATION

### III.1 Legal structure

Its legal structure is as follows:



**Ethias SA** centralizes all Life and Non-Life insurance activities.

Ethias SA is held by the Federal State through SFPI-FPIM, by the Walloon Region through SRIW, by the Flemish Region and by EthiasCo (historical shareholder).

It is also the shareholder of several companies in the group, including Ethias Services (a service company specialising in pension insurance in particular), NRB (IT company), IMA Benelux (service company specializing in assistance) and various real estate subsidiaries.

The main purpose of **EthiasCo** is the holding and management of participating interests. Among these, the most important ones are Ethias SA, Socofe and VEH (both active in the energy sector).

### III.2 Consolidation scope

#### III.2.1 List of the consolidated subsidiaries

	30 June 2021				31 December 2020			
	Country	Sector	Currency	Integration percentage	Control percentage	Integration percentage	Control percentage	Change in scope
<b>Consolidating company:</b>								
Ethias SA	Belgium	Insurance	EUR	100.00%	100.00%	100.00%	100.00%	

**Consolidated companies with 100 % consolidation:**

<b>Real estate subsidiaries</b>								
Air Properties	Luxembourg	Real estate	EUR	51.00%	51.00%	51.00%	51.00%	
Ankaret Invest	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Ariane Real Estate	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Bora	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Archeion (former Développement Cauchy)	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Dockx Jan	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Ethias Patrimoine	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Foncière du Berlaymont	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Real Goed Invest (former Goed Arthur)	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Het Gehucht	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Immo Hofveld	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Immovegnis	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Koala	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Les Hauts prés	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Lothian Developments IV	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Naos	Luxembourg	Real estate	EUR	67.00%	67.00%	67.00%	67.00%	
Sagitta	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
UP 38	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Veran Real Estate	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
<b>NRB Group</b>								
Adinfo	Belgium	IT	EUR	34.88%	51.00%	34.88%	51.00%	
Afelio	Belgium	IT	EUR	68.37%	100.00%	68.37%	100.00%	
Altair	Belgium	IT	EUR	68.39%	100.00%	53.39%	100.00%	Change in percentage
Athena Informatic	Belgium	IT	EUR	68.39%	100.00%	53.39%	100.00%	Change in percentage
B-data	Belgium	IT	EUR	34.88%	51.00%	34.88%	51.00%	
Cevi	Belgium	IT	EUR	34.88%	100.00%	34.88%	100.00%	
Computerland	Belgium	IT	EUR	68.39%	100.00%	53.38%	78.06%	Change in percentage
Civadis	Belgium	IT	EUR	34.88%	100.00%	34.88%	100.00%	
Infohos	Belgium	IT	EUR	49.24%	90.00%	49.24%	90.00%	
Logins	Belgium	IT	EUR	34.88%	100.00%	34.88%	100.00%	
NRB	Belgium	IT	EUR	68.39%	68.39%	68.39%	68.39%	
Orda's	Belgium	IT	EUR	68.39%	100.00%	53.39%	100.00%	Change in percentage
PDP	Belgium	IT	EUR	34.88%	100.00%	0.00%	0.00%	Acquisition by Cevi
People & Technology	Belgium	IT	EUR	68.39%	100.00%	68.39%	100.00%	
Prodata Systems	Belgium	IT	EUR	34.88%	100.00%	34.88%	100.00%	
Prodata Xpert	Belgium	IT	EUR	0.00%	0.00%	34.88%	100.00%	Merger with Prodata Systems
SDP	Belgium	IT	EUR	34.88%	100.00%	0.00%	0.00%	Acquisition via PDP
SLM	Belgium	IT	EUR	68.39%	100.00%	53.39%	100.00%	Change in percentage
Siggis	Belgium	IT	EUR	34.88%	100.00%	34.88%	100.00%	
Trasys International G.E.I.E.	Belgium	IT	EUR	0.00%	0.00%	68.39%	100.00%	Merger with NRB

Trasys Luxembourg	Luxembourg	IT	EUR	68.39%	100.00%	68.39%	100.00%	
Trigone Informatique	France	IT	EUR	68.39%	100.00%	68.39%	100.00%	
Ucon	Belgium	IT	EUR	0.00%	0.00%	68.39%	100.00%	Merger with NRB
Xperthis (former Xtenso)	Belgium	IT	EUR	49.24%	100.00%	49.24%	100.00%	
Xperthis Group	Belgium	IT	EUR	54.71%	80.00%	54.71%	80.00%	
<b>Others</b>								
Ethias Sustainable Invest. Fund - Global Equities	Belgium	Other	EUR	100.00%	100.00%	100.00%	100.00%	
Ethias Sustainable Invest. Fund - High Yield	Belgium	Other	EUR	100.00%	100.00%	100.00%	100.00%	
Ethias Services	Belgium	Other	EUR	99.90%	99.90%	99.90%	99.90%	
<b>Associates and equity method:</b>								
<b>Real estate subsidiaries</b>								
WLP Holding	Belgium	Real estate	EUR	50.00%	50.00%	50.00%	50.00%	
WLP I	Germany	Real estate	EUR	25.00%	25.00%	25.00%	25.00%	
WLP II	Belgium	Real estate	EUR	50.00%	50.00%	50.00%	50.00%	
WLP III	Belgium	Real estate	EUR	50.00%	50.00%	50.00%	50.00%	
WLP VIII	Belgium	Real estate	EUR	50.00%	50.00%	50.00%	50.00%	
<b>NRB Group</b>								
BelgiumDC	Belgium	IT	EUR	34.19%	50.00%	34.19%	50.00%	
Together Services	Belgium	IT	EUR	34.19%	50.00%	0.00%	0.00%	Creation by NRB
<b>Others</b>								
IMA Benelux	Belgium	Other	EUR	33.00%	33.00%	33.00%	33.00%	

## III.3 Acquisitions and disposals of subsidiaries

### III.3.1 Assets and liabilities of companies acquired

In thousands of euros	30 June 2021	31 December 2020
Goodwill and other intangible assets	2,869	17,714
Investment properties	1,243	-
Financial investments	-	-
Reinsurers' share of technical provisions	-	-
Other assets and tangible fixed assets	7,187	35,141
Cash and cash equivalents	870	4,329
Insurance and investment contract liabilities	-	-
Financial debts	(705)	(15,350)
Provisions for risks and expenses	-	(102)
Other liabilities	(3,254)	(37,769)
Participating interests accounted for using the equity method	315	26,331
Non-controlling interests	4,218	5,700
Changes in equity following acquisitions	1,521	(277)
<b>Net assets acquired</b>	<b>14,263</b>	<b>35,718</b>
Less: Acquired cash in hand	(870)	(4,339)
Less: Badwill	-	722
<b>Cash used for acquisitions</b>	<b>13,393</b>	<b>32,100</b>

In 2020, Ethias SA acquired 33 % of the shares of IMA Benelux and 50 % of the shares of WLP Holding. For its part, NRB, which is continuing its expansion and growth strategy, acquired 100 % of the shares in People & Technology, 78 % of the shares in Computerland, 90 % of the parts in Infohos, 51 % of the shares in B-data and 100 % of the shares in Trigone. The net cash flow relating to the acquisitions of 2020 amounts to -1 million euros for IMA Benelux, -26 million euros for WLP Holding, -3.5 million euros for People & Technology, -3.9 million euros for Computerland, 1,4 million euros for Infohos, 1.4 million euros for B-data and -0.4 million euros for Trigone.

In 2021, NRB acquired an additional 22 % of Computerland's shares, bringing its stake to 100 %, and contributed 50 % of Together Services' capital. In addition, NRB participated in the capital increase of Belgium DC. For its part, Cevi acquired 100 % of the shares of PDP. Finally, Ethias paid an additional price for the acquisition of 67 % of the shares of Naos in 2019. The net cash flow relating to the acquisitions of 2021 amounts -1.1 million euros for Computerland, -10.7 million euros for PDP, -0.1 million euros for Together Services, -0.3 million euros for Belgium DC and -1.2 million euros for Naos.

### III.3.2 Assets and liabilities of divested companies

In thousands of euros	30 June 2021	31 December 2020
Intangible assets	-	-
Financial investments	-	2,843
Reinsurers' share of technical provisions	-	-
Any other assets	-	5
Cash and cash equivalents	-	245
Insurance and investment contract liabilities	-	-
Financial debts	-	-
Provisions for risks and expenses	-	-
Other liabilities	-	(36)
<b>Net assets divested</b>	<b>-</b>	<b>3,057</b>
Gain/(loss) on disposals, net of tax	-	(2,137)
Net cash received related to disposals without loss of control	-	-
Transferred cash	-	(245)
<b>Cash received for disposals</b>	<b>-</b>	<b>675</b>

The amounts presented above correspond to the disposal of Vecquim in January 2020.

## III.4 Summary of significant accounting principles

### III.4.1 Basis of preparation of the consolidated financial statements

#### III.4.1.1 General principles

The Group's Interim Report includes the consolidated financial statements prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union and the highlights of the period.

This report is prepared for the six months ending on 30 June 2021 and compares it with the end of the previous financial year for the consolidated balance sheet, and with the comparable interim periods of the previous financial year for the other statements.

The interim report does not include all the notes normally included in an annual financial report. Consequently, this report should be read in conjunction with the annual report for the year ended 31 December 2020 and any public announcement made by the Ethias Group during the interim reporting period.

#### III.4.1.2 New standards, amendments and interpretations published and adopted since 1 January 2021

The following new standards and interpretations, applicable as from 1 January 2021, had no major incidence on the consolidated accounts of the Group:

- IFRS 9 – Financial instruments: Recognition and measurement. The “deferral option”, which allows the deferred application at the same time as IFRS 17, was used (see point “Future standards and interpretations” hereafter);
- Amendments to IAS 39;
- Amendments to IFRS 7;
- Amendments to IFRS 4;

The impact of these amendments to IFRS on our financial statements is not material.

### III.4.1.3 Future standards and interpretations

The Group has chosen to apply none of the new, revised or amended standards for which the IFRS leave the choice to anticipate or not their coming into force.

Moreover, the Group systematically analyses the standards and interpretations that will come into force in subsequent years.

The Group has implemented projects relating to the main new standards and interpretations that could have a significant impact on the accounts, such as IFRS 17 "insurance contracts" (formerly IFRS 4), which was published on May 18, 2017 and whose date of entry into force is January 1, 2023, as well as of IFRS 9 "Financial Instruments", published on July 24, 2014, whose date of entry into force is January 1, 2018. The "deferral option", which allows the deferred application of IFRS 9, at the same time as IFRS 17, was applied. In fact, the activities of Ethias and its subsidiaries meet the criteria of paragraph 20B of the amendment to IFRS 4 because they are mainly related to insurance. In this respect, management has assessed that the Group has not applied any previous version of IFRS 9 and, in accordance with paragraph 20D of the amendment to IFRS 4, the total book value of the Group's insurance-related liabilities for the year ended 31 December 2015 in relation to the total book value of all its liabilities amounts to 95%, which is more than 90%. In accordance with paragraph 20G of the amendment to IFRS 4, there has been no change in the Group's activities that would justify a revaluation. The implementation of IFRS 9 and IFRS 17 will have a significant impact on equity and result.

IFRS 17 will fundamentally change the accounting for all entities that issue insurance contracts and investment contracts with discretionary participation features (currently only Ethias SA).

The main change brought about by IFRS 17 is the introduction of a general model for measuring the profitability of insurance contracts called BBA, "Building Block Approach". This model is based on a discounted estimate of future profits at the time of subscription of the insurance contracts grouped in an annual cohort. This estimate includes a risk adjustment to incorporate the uncertainty of future flows.

In the case of profitable contracts, this method is used to determine the Contractual Service Margin (CSM), which represents the estimate of future profits. This estimate of future profits will subsequently be taken into account in the income statement over time. In the case of unprofitable contracts, the expected loss will be taken into account at the time of subscription.

The IFRS 17 regulation also provides for 2 other valuation models for insurance contracts: a simplified model (PAA, Premium Allocation Approach) which can be used under certain conditions, among others for contracts with a term of one year or less, and a VFA model (Variable Fee Approach) for contracts with profit-sharing.

The recognition of current insurance income (premium) will be replaced by a recognition in the income statement as and when the service is rendered in accordance with the new methods for valuing insurance contracts.

As a corollary to the introduction of IFRS 17, the standard for the presentation of financial statements (IAS 1) will also be amended. This standard will change the way in which financial statements are presented by distinguishing insurance results (Insurance Revenue and Insurance Expense) from financial results related to insurance contracts.

IFRS 17 is a significant development in accounting valuation rules that will have a fundamental impact on the Group's methodology, processes, systems and results.

Currently, the projects to implement IFRS 9 and IFRS 17 are ongoing. In particular, a calculation tool has been acquired and is being implemented.

To conclude, the Group follows the elaboration by the IASB of the main standards and interpretations that can have a significant impact on the accounts.

### III.4.2 Sector information

IFRS 8 - Operating Segments - requires the presentation of data relating to the Group's operating segments taken from internal reporting and used by the Management in its investment decisions and performance assessment. For the Group, the operating segments that meet the criteria of the standard correspond to the following segments: Individuals - Non-life, Individuals - Life, Public Bodies & Companies - Non-Life, Public Bodies & Companies - Life and Others.

### III.4.3 Accounting principles and valuation rules

The accounting principles and the valuation rules applied at 31 December 2020 are still valid and therefore applicable for the first half of 2021. For detailed explanation, see the annual report at end 2020.

The activities of Ethias are not subject to a significant seasonal factor.

## III.5 Critical accounting estimates and judgements

For more information with regard to the introduction of these estimates, we refer to the corresponding notes in the consolidated financial statements of the 2020 annual report.

## III.6 Sector information

The allocation of resources and the performance assessment are made for the various products that the Group offers to public bodies, companies and individuals, in the form of a complete, tailor-made and innovative range of risk management solutions and insurances, both in Life and Non-Life. These segments and their operations are as follows:

- Segment "Individuals Non-Life": the income of this segment primarily comes from premiums received for coverage against damage to vehicles and homes, for family insurance as well as assistance insurance.
- Segment Life Individuals: Ethias sells outstanding balance insurances, following the absorption of Whestia in 2017. Most of the other insurance products are put into run-off.
- Segment "Public Bodies & Companies Non-Life": this segment mainly covers the risks for public services and their staff members for whom the Group offers since long guarantees, such as civil liability, health care, work accidents, sporting accidents, vehicle, assistance, etc. Ethias also covers the damage to or destruction of material, buildings and installations.
- Segment "Public Bodies & Companies Life": this segment covers pension and contribution insurances, group insurances, individual pension commitments, director's insurances, annuity contracts, etc. This segment also covers the supplementary pension for contractual staff members of the public sector.
- The segment "Other" includes the Non-Technical activity of Ethias SA.
- The Group's other activities, which mainly come from IT activities, including the design, development and marketing of IT solutions, real estate activities through the Group's real estate companies and, finally, financial activities through the SICAV "Ethias Sustainable Investment Fund" are presented separately.
- Are included in terms of adjustments: accounting entries relating to IFRS, eliminations of intercompany transactions and consolidation adjustments.

The results of the segments for the years ended on 30 June 2021 and 2020 respectively are detailed below:

In thousands of euros	PUBLIC & CORPORATE SECTOR		PRIVATE INDIVIDUALS		OTHERS	Statutory income statement B-Gaap	Statutory income statement B-Gaap	ADJUSTMENTS	Consolidated income statement IFRS
	NON-LIFE	LIFE	NON-LIFE	LIFE	NON-TECHNICAL	Ethias SA	Subsidiaries	Total Adjustments	30 June 2021
Gross premiums	599,470	645,183	306,308	24,355	-	1,575,316	-	(4,121)	1,571,195
Premiums ceded to reinsurers	(34,708)	(1,367)	(3,671)	-	-	(39,746)	-	-	(39,746)
Change in the provision for unearned premiums and outstanding risks <sup>(a)</sup>	(176,471)	-	(14,710)	-	-	(191,180)	-	-	(191,180)
Other income from insurance activities	722	334	-	1,658	-	2,714	-	-	2,714
<b>Revenues from insurance activities <sup>(a)</sup></b>	<b>389,013</b>	<b>644,150</b>	<b>287,927</b>	<b>26,013</b>	<b>-</b>	<b>1,347,103</b>	<b>-</b>	<b>(4,121)</b>	<b>1,342,982</b>
<b>Revenues from other activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,487</b>	<b>12,487</b>	<b>288,959</b>	<b>(45,822)</b>	<b>255,624</b>
Net income from investments	36,067	206,858	12,823	22,597	(3,952)	274,394	31,678	(107,363)	198,709
Net realized gains or losses on investments	-	-	-	-	-	-	(329)	16,538	16,209
Change in fair value of investments through profit and loss <sup>(b)</sup>	-	-	-	-	-	-	13,014	78,026	91,040
<b>Net financial income</b>	<b>36,067</b>	<b>206,858</b>	<b>12,823</b>	<b>22,597</b>	<b>(3,952)</b>	<b>274,394</b>	<b>44,363</b>	<b>(12,799)</b>	<b>305,958</b>
<b>NET REVENUES</b>	<b>425,080</b>	<b>851,008</b>	<b>300,750</b>	<b>48,611</b>	<b>8,536</b>	<b>1,633,984</b>	<b>333,322</b>	<b>(62,741)</b>	<b>1,904,565</b>
Insurance service expenses	344,902	766,928	165,432	33,706	-	1,310,968	-	(6,634)	1,304,334
Net expenses or revenues ceded to reinsurers	(11,579)	(2,637)	(614)	-	-	(14,831)	-	-	(14,831)
Management costs <sup>(c)</sup>	76,722	52,104	68,012	6,502	-	203,340	-	(19,098)	184,242
<b>Technical expenses for insurance activities</b>	<b>410,045</b>	<b>816,395</b>	<b>232,830</b>	<b>40,208</b>	<b>-</b>	<b>1,499,477</b>	<b>-</b>	<b>(25,732)</b>	<b>1,473,745</b>
<b>Expenses for other activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,298</b>	<b>13,298</b>	<b>266,443</b>	<b>(29,194)</b>	<b>250,548</b>
Change in depreciation and amortization on investments (net)	-	-	-	-	-	-	3,330	163	3,492
Other investment financial expenses	-	-	-	-	-	-	2,187	5,016	7,203
Finance costs	-	-	-	-	-	-	3,563	10,164	13,726
<b>Financial and financing expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,080</b>	<b>15,342</b>	<b>24,422</b>
<b>NET EXPENSES</b>	<b>410,045</b>	<b>816,395</b>	<b>232,830</b>	<b>40,208</b>	<b>13,298</b>	<b>1,512,776</b>	<b>275,523</b>	<b>(39,584)</b>	<b>1,748,715</b>
<b>NET PROFIT (LOSS) BEFORE TAX</b>	<b>15,035</b>	<b>34,613</b>	<b>67,921</b>	<b>8,403</b>	<b>(4,763)</b>	<b>121,209</b>	<b>57,798</b>	<b>(23,157)</b>	<b>155,850</b>
Income taxes	-	-	-	-	(14,300)	(14,300)	(6,555)	(14,165)	(35,021)
Transfer/Charge to untaxed reserves	-	-	-	-	-	-	(168)	168	-
<b>NET PROFIT (LOSS) AFTER TAX</b>	<b>15,035</b>	<b>34,613</b>	<b>67,921</b>	<b>8,403</b>	<b>(19,063)</b>	<b>106,909</b>	<b>51,075</b>	<b>(37,154)</b>	<b>120,829</b>
Share of the associated companies in the result	-	-	-	-	-	-	-	202	202
Net profit (loss) from discontinued operations	-	-	-	-	-	-	-	-	-
<b>Net consolidated profit (loss)</b>	<b>15,035</b>	<b>34,613</b>	<b>67,921</b>	<b>8,403</b>	<b>(19,063)</b>	<b>106,909</b>	<b>51,075</b>	<b>(36,952)</b>	<b>121,031</b>
Group's share						106,909	51,075	(45,282)	112,701
Non-controlling interests							-	8,330	8,330



In thousands of euros	PUBLIC & CORPORATE SECTOR		PRIVATE INDIVIDUALS		OTHERS	Statutory income statement B-Gaap	Statutory income statement B-Gaap	ADJUSTMENTS	Consolidated income statement IFRS
	NON-LIFE	LIFE	NON-LIFE	LIFE	NON-TECHNICAL	Ethias SA	Subsidiaries	Total Adjustments	30 June 2020
Gross premiums	582,552	612,008	303,840	17,499	-	1,515,900	-	(1,315)	1,514,586
Premiums ceded to reinsurers	(24,549)	(1,512)	(3,473)	-	-	(29,534)	-	(3,499)	(33,034)
Change in the provision for unearned premiums and outstanding risks <sup>(a)</sup>	(177,700)	-	(17,373)	-	-	(195,073)	-	3,499	(191,574)
Other income from insurance activities	851	67	(43)	1,741	-	2,616	-	-	2,616
<b>Revenues from insurance activities <sup>(a)</sup></b>	<b>381,154</b>	<b>610,563</b>	<b>282,951</b>	<b>19,240</b>	<b>-</b>	<b>1,293,908</b>	<b>-</b>	<b>(1,315)</b>	<b>1,292,594</b>
<b>Revenues from other activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,183</b>	<b>6,183</b>	<b>236,585</b>	<b>(85,703)</b>	<b>157,065</b>
Net income from investments	33,720	88,437	14,167	14,756	(10,538)	140,541	22,523	36,752	199,816
Net realized gains or losses on investments	-	-	-	-	-	-	2,153	15,516	17,668
Change in fair value of investments through profit and loss <sup>(b)</sup>	-	-	-	-	-	-	(20,262)	(60,837)	(81,099)
<b>Net financial income</b>	<b>33,720</b>	<b>88,437</b>	<b>14,167</b>	<b>14,756</b>	<b>(10,538)</b>	<b>140,541</b>	<b>4,414</b>	<b>(8,570)</b>	<b>136,385</b>
<b>NET REVENUES</b>	<b>414,873</b>	<b>699,000</b>	<b>297,118</b>	<b>33,996</b>	<b>(4,355)</b>	<b>1,440,632</b>	<b>240,999</b>	<b>(95,587)</b>	<b>1,586,044</b>
Insurance service expenses	317,825	628,651	160,861	24,796	-	1,132,133	-	(37,995)	1,094,138
Net expenses or revenues ceded to reinsurers	(7,141)	(679)	(528)	-	-	(8,349)	-	23	(8,326)
Management costs <sup>(c)</sup>	71,944	42,840	71,889	6,614	-	193,288	-	(13,692)	179,596
<b>Technical expenses for insurance activities</b>	<b>382,628</b>	<b>670,812</b>	<b>232,221</b>	<b>31,411</b>	<b>-</b>	<b>1,317,073</b>	<b>-</b>	<b>(51,664)</b>	<b>1,265,409</b>
<b>Expenses for other activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,831</b>	<b>8,831</b>	<b>219,305</b>	<b>(79,927)</b>	<b>148,209</b>
Change in depreciation and amortization on investments (net)	-	-	-	-	-	-	4,423	12,794	17,217
Other investment financial expenses	-	-	-	-	-	-	673	6,149	6,821
Finance costs	-	-	-	-	-	-	4,441	10,080	14,521
<b>Financial and financing expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,537</b>	<b>29,023</b>	<b>38,560</b>
<b>NET EXPENSES</b>	<b>382,628</b>	<b>670,812</b>	<b>232,221</b>	<b>31,411</b>	<b>8,831</b>	<b>1,325,903</b>	<b>228,842</b>	<b>(102,568)</b>	<b>1,452,177</b>
<b>NET PROFIT (LOSS) BEFORE TAX</b>	<b>32,245</b>	<b>28,188</b>	<b>64,896</b>	<b>2,585</b>	<b>(13,186)</b>	<b>114,728</b>	<b>12,157</b>	<b>6,981</b>	<b>133,866</b>
Income taxes	-	-	-	-	(10,200)	(10,200)	(5,857)	(24,091)	(40,148)
Transfer/Charge to untaxed reserves	-	-	-	-	-	-	-	-	-
<b>NET PROFIT (LOSS) AFTER TAX</b>	<b>32,245</b>	<b>28,188</b>	<b>64,896</b>	<b>2,585</b>	<b>(23,386)</b>	<b>104,528</b>	<b>6,300</b>	<b>(17,110)</b>	<b>93,718</b>
Share of the associated companies in the result	-	-	-	-	-	-	-	(230)	(230)
Net profit (loss) from discontinued operations	-	-	-	-	-	-	-	-	-
<b>Net consolidated profit (loss)</b>	<b>32,245</b>	<b>28,188</b>	<b>64,896</b>	<b>2,585</b>	<b>(23,386)</b>	<b>104,528</b>	<b>6,300</b>	<b>(17,340)</b>	<b>93,488</b>
Group's share						104,528	6,300	(23,095)	87,733
Non-controlling interests							-	5,755	5,755

a) Net of reinsurance

b) Including change in fair value of investments of which the financial risk is supported by the insured

c) Including contract acquisition costs, administration costs, internal claim handling costs and other technical expenses

The data by segment are prepared and evaluated based upon the Belgian accounting standards (BGAAP) and therefore do not follow the same valuation rules as those used for the IFRS consolidated financial statements as described in the notes to the financial statements. The column "adjustments" in the tables above reconciles the BGAAP statutory financial statements and the IFRS consolidated financial statements.

The measurement used by management for each segment's performance is the result by segment. The result per segment includes all revenues and expenses that are directly attributable as well as the revenues and expenses that can be reasonably attributed.

However, information on the segment's assets and liabilities is not provided because this information is not included in the BGAAP reporting, regularly reviewed by the management in view of allocating resources and assessing performance.

Transfers or transactions between segments are made at usual market conditions identical to those that would be applied with unrelated third parties.

Since the Group's activities are mainly carried out in Belgium, there is no geographical distribution to give.

We do not have any clients that account for a significant part of our revenues.

### III.6.1 BGAAP Result of Ethias SA

The first half of the year 2021 records a net result of 107 million euros, an increase of 2 % compared to the first half of 2020 thanks to a good performance of Life and Non-Technical.

Total premium income amounts to 1,575 million euros, i.e. an increase of 4 % compared to the first half of 2020, thanks to a good performance of Life (+6 %) and Non-Life (+2 %).

#### III.6.1.1 Non-Life

**The result of Non-Life business amounts to 83 million euros at end-June 2021.**

Income amounts to 906 million euros and increases by 2 % compared to June 2020. It breaks down as follows between the segments "Private Individuals" and "Public Bodies & Companies":

- Income for Private Individuals increases by 1 % compared to June 2020 and amounts to 306 million euros;
- Income for Public Bodies & Companies amounts to 599 million euros and increases by 4 % compared to June 2020, mainly due to the impact of the COVID-crisis in 2020.

The operational net combined ratio amounts to 95 % compared to 92 % in June 2020. This evolution is mainly due to the increase in the claims ratio, which is explained in particular by the lesser effects of the pandemic than in 2020.

#### III.6.1.2 Life

**The result of Life business amounts to 43 million euros at end-June 2021.**

Income at end-June 2021 increases by 6 % compared to June 2020 and amounts to 670 million euros, including 24 million euros in Private Individuals and 645 million euros in Public Bodies & Companies.

Income in Life Individuals increases by 39 % compared to June 2020. This increase is mainly explained by the "Boost Invest" product in branch 23 and the "Decease" product.

Premium income for Life Public Bodies & Companies increases by 5 % compared to June 2020, mainly coming from the 1<sup>st</sup> pillar.

A provision for deferred profit-sharing of 26.6 million euros was allocated (i.e. stable compared to June 2020), mainly on 1<sup>st</sup>-pillar ring-fenced funds.

#### III.6.1.3 Non-technical

In June 2021, the non-technical result before taxes shows a negative contribution of -4.8 million euros compared to -13.2 million euros in June 2020. Tax expenses of the financial year amount to 14.3 million euros compared to 10.2 million euros in June 2020.

### III.6.2 BGAAP result of subsidiaries

The sum of the results of the Group's other activities, in BGAAP and before eliminations and consolidation adjustments, amounts to 51.1 million euros. They are mainly composed of the results of NRB and its subsidiaries for 35.7 million euros and of Ethias Sustainable Investment Fund for 14.1 million euros.

### III.6.3 Adjustments

Total consolidation adjustments amount to -37 million euros, of which -45.3 million euros in Group's share and +8.3 million euros in in third-party interests.

The main movements are the following:

- The impact of the recognition of employee benefits in accordance with IAS 19 thus amounts to 2.4 million euros.
- The recognition of Life technical provisions under IFRS 4 impacts the result by -8.1 million euros following the application of shadow accounting on products classified as FVPL. In Non-Life, the cancellation of the allocation to the equalization and catastrophe provision amounts to +4 million euros. At the subsidiaries, the cancellation of a provision increases the result by 1 million euros.
- The application of IAS 39 leads to an adjustment on the result of financial instruments of 5.3 million euros.
- The application of IFRS 36 leads to an adjustment on the result of +3.3 million euros. This concerns the elimination of the amortization of goodwill recorded under BGAAP on Whestia, on Trasys and at Prodata Xpert.
- The allocation to the fund for future appropriation made in BGAAP is cancelled (14 million euros).
- The impact of the application of IFRS 5 on buildings held for sale amounts to -13.7 million euros.
- The elimination of dividends from subsidiaries amount to -30 million euros.
- Deferred taxes related to IFRS adjustments and consolidation adjustments impact the income statement by -14.2 million euros, including -15.3 million relating to the use of tax losses carried forward.
- Other adjustments: cancellation of intra-group gains (-2.7 million euros) and adjustment on leasing (+1.9 million euros).

# IV. NOTES TO THE CONSOLIDATED BALANCE SHEET

## IV.1 Goodwill

### IV.1.1 Evolution of goodwill

In thousands of euros	30 June 2021	31 December 2020
<b>Gross value on 1 January</b>	<b>71,593</b>	<b>61,675</b>
Accumulated impairment losses on 1 January	-	-
<b>Net book value on 1 January</b>	<b>71,593</b>	<b>61,675</b>
Acquisitions	2,486	9,918
Other changes	-	-
<b>Net book value on 30 June/31 December</b>	<b>74,079</b>	<b>71,593</b>

Goodwill was generated on:

- entities of the NRB subgroup, for 59 million euros;
- the acquisition of the Whestia entity ("outstanding balance" insurance portfolio) for 15.1 million euros.

In 2020, the acquisition of 100 % of the shares in People & Technology, B-data and Trigone, and 78 % of the shares in Computerland by NRB generated goodwill of 9.9 million euros.

In 2021, Cevi acquired 100% of the shares of PDP, generating goodwill of 2.5 million euros.

### IV.1.2 Impairment test on goodwill

There were no significant changes in the first half of 2021 compared to 31 December 2020. For further information, please refer to the corresponding notes in the consolidated financial statements of the annual report as at 31 December 2020.

## IV.2 Other intangible assets

In thousands of euros	2021		
	Software and IT developments	Other intangible assets	Total
<b>Gross value on 1 January</b>	<b>233,548</b>	<b>49,625</b>	<b>283,173</b>
Accumulated amortization on 1 January	(126,972)	(20,667)	(147,640)
Accumulated impairment losses on 1 January	(21,488)	-	(21,488)
<b>Net book value on 1 January</b>	<b>85,088</b>	<b>28,958</b>	<b>114,046</b>
Acquisitions	5,868	460	6,328
Disposals	-	-	-
Reclassifications	8	(8)	(0)
Change in the consolidation scope	-	383	383
Net amortization	(8,637)	(2,168)	(10,805)
Impairments	-	-	-
Other changes	-	-	-
<b>Net book value on 30 June</b>	<b>82,327</b>	<b>27,625</b>	<b>109,953</b>

In thousands of euros	2020		
	Software and IT developments	Other intangible assets	Total
<b>Gross value on 1 January</b>	<b>235,409</b>	<b>44,576</b>	<b>279,985</b>
Accumulated amortization on 1 January	(136,346)	(15,907)	(152,252)
Accumulated impairment losses on 1 January	(14,769)	-	(14,769)
<b>Net book value on 1 January</b>	<b>84,294</b>	<b>28,669</b>	<b>112,963</b>
Acquisitions	17,520	1,079	18,599
Disposals	(17)	-	(17)
Reclassifications	1,717	-	1,717
Change in the consolidation scope	3,828	3,968	7,796
Net amortization	(15,534)	(4,759)	(20,292)
Impairments	(6,719)	-	(6,719)
Other changes	-	-	-
<b>Net book value on 31 December</b>	<b>85,088</b>	<b>28,958</b>	<b>114,046</b>

In 2020, an impairment loss of 6.7 million euros was recorded on software and IT developments that are no longer useful in the new technologies used by the front office.

## IV.3 Tangible fixed assets and investment properties

In thousands of euros	30 June 2021			
	Investment properties	Operational buildings	Other tangible fixed assets	Total
<b>Gross value to be depreciated on 1 January</b>	<b>610,889</b>	<b>128,261</b>	<b>95,510</b>	<b>834,660</b>
Acquisitions	-	163	3,506	3,668
Disposals and withdrawals	-	-	(90)	(90)
Properties held for sale	-	(59,897)	(7,419)	(67,316)
Change in the consolidation scope	1,243	-	728	1,971
Reclassifications from one heading to another	-	-	-	-
Other changes	-	-	-	-
<b>Gross value on 30 June</b>	<b>612,132</b>	<b>68,527</b>	<b>92,235</b>	<b>772,894</b>
<b>Depreciations and accumulated impairments on 1 January</b>	<b>(120,147)</b>	<b>(75,281)</b>	<b>(67,543)</b>	<b>(262,971)</b>
Depreciations of the financial year	(5,270)	(1,071)	(3,762)	(10,102)
Impairments of the financial year	-	-	-	-
Reversals of the financial year	-	-	-	-
Disposals and withdrawals	-	-	-	-
Reversals following disposals	-	-	90	90
Net impairment and reversal on properties held for sale	-	26,726	3,642	30,368
Change in the consolidation scope	-	-	(505)	(505)
Reclassifications from one heading to another	-	-	-	-
Other changes	-	-	-	-
<b>Depreciations and accumulated impairments on 30 June</b>	<b>(125,417)</b>	<b>(49,625)</b>	<b>(68,078)</b>	<b>(243,120)</b>
<b>Net book value on 30 June</b>	<b>486,715</b>	<b>18,901</b>	<b>24,157</b>	<b>529,773</b>
<b>Fair value on 30 June</b>	<b>641,488</b>	<b>52,696</b>	<b>24,157</b>	<b>718,341</b>

In thousands of euros	31 December 20			
	Investment properties	Operational buildings	Other tangible fixed assets	Total
<b>Gross value to be depreciated on 1 January</b>	<b>619,108</b>	<b>132,981</b>	<b>148,031</b>	<b>900,121</b>
Acquisitions	28,280	207	6,964	35,451
Disposals and withdrawals	(34,541)	(4,085)	(46,415)	(85,041)
Properties held for sale	2,408	-	-	2,408
Change in the consolidation scope	(5,258)	50	7,284	2,076
Reclassifications from one heading to another	892	(892)	(20,355)	(20,355)
Other changes	-	-	-	-
<b>Gross value on 31 December</b>	<b>610,889</b>	<b>128,261</b>	<b>95,510</b>	<b>834,660</b>
<b>Depreciations and accumulated impairments on 1 January</b>	<b>(115,716)</b>	<b>(74,524)</b>	<b>(111,888)</b>	<b>(302,129)</b>
Depreciations of the financial year	(16,409)	(3,263)	(8,656)	(28,329)
Impairments of the financial year	-	-	-	-
Reversals of the financial year	-	-	-	-
Disposals and withdrawals	-	-	15	15
Reversals following disposals	9,889	2,254	44,818	56,961
Net impairment and reversal on properties held for sale	-	-	-	-
Change in the consolidation scope	2,415	(72)	(5,897)	(3,554)
Reclassifications from one heading to another	(325)	325	14,066	14,066
Other changes	-	-	-	-
<b>Depreciations and accumulated impairments on 31 December</b>	<b>(120,147)</b>	<b>(75,281)</b>	<b>(67,543)</b>	<b>(262,971)</b>
<b>Net book value on 31 December</b>	<b>490,742</b>	<b>52,980</b>	<b>27,967</b>	<b>571,690</b>
<b>Fair value on 31 December</b>	<b>645,384</b>	<b>91,909</b>	<b>29,957</b>	<b>767,250</b>

Investment properties and held for own use are valued annually by independent real estate experts.

The fair value of investment properties represents the estimated amount at which the real estate could be exchanged on the valuation date between a buyer and a willing seller on the basis of a transaction at arm's length.

With regard to investment properties, the valuation method is that of the perpetual capitalization of the Estimated Rental Value (ERV). This method, in line with international valuation standards, is generally applied in the market where it is probable that the flow of income is constant. It consists in the perpetual capitalization of the estimated rental value, by using a rate of return, plus or minus a series of adjustments to take into account elements that may have a material impact on the value of the real estate assets.

The capitalisation rate is obtained on the basis of observations of comparable property values (and therefore rates of return) on the property investment market and depends inter alia on the location of the property, the quality of the property, the quality of the tenant and the length of the leases.

For buildings held for own use, the method of capitalizing the estimated rental value in perpetuity is also used. This estimated rental value is based on a "sale & lease back" scenario.

Investment properties and held for own use are classified as level 3. Indeed, the valuation methods used by the experts are not based on observable data on these markets. In particular, market rental values or capitalization rates should be considered as input data of level 3.

## IV.4 Financial investments

### IV.4.1 Overview of financial investments by category

In thousands of euros	30 June 2021					
	Cost price	Impairments	Reassessment through other items of comprehensive income	Reassessment through profit or loss	Net book value	Fair value
Available for sale	52,059	(12,481)	93,443	-	133,020	133,020
<b>Participating interests</b>	<b>52,059</b>	<b>(12,481)</b>	<b>93,443</b>	<b>-</b>	<b>133,020</b>	<b>133,020</b>
Available for sale	429,690	(14,330)	155,049	-	570,408	570,408
Designated at fair value through profit or loss	115,813	-	-	607	116,419	116,419
Held for trading	4,953	-	-	(593)	4,360	4,360
<b>Equities</b>	<b>550,456</b>	<b>(14,330)</b>	<b>155,049</b>	<b>13</b>	<b>691,187</b>	<b>691,187</b>
Available for sale	251,914	(2,669)	116,231	-	365,475	365,475
Designated at fair value through profit or loss	18,293	-	-	1,094	19,388	19,388
<b>Investment funds</b>	<b>270,207</b>	<b>(2,669)</b>	<b>116,231</b>	<b>1,094</b>	<b>384,863</b>	<b>384,863</b>
Available for sale	13,507,798	(1,239)	1,370,769	-	14,877,328	14,877,328
Designated at fair value through profit or loss	292,145	-	-	17,069	309,214	309,214
<b>Bonds</b>	<b>13,799,943</b>	<b>(1,239)</b>	<b>1,370,769</b>	<b>17,069</b>	<b>15,186,541</b>	<b>15,186,541</b>
Loans and deposits	679,691	(74)	-	-	679,616	701,326
<b>Other investments</b>	<b>679,691</b>	<b>(74)</b>	<b>-</b>	<b>-</b>	<b>679,616</b>	<b>701,326</b>
Held for trading	454	-	-	(378)	76	76
Held for hedging purposes	-	-	25,627	-	25,627	25,627
<b>Derivative financial assets</b>	<b>454</b>	<b>-</b>	<b>25,627</b>	<b>(378)</b>	<b>25,703</b>	<b>25,703</b>
<b>Investments belonging to unit-linked insurance contracts</b>	<b>1,370,362</b>	<b>-</b>	<b>-</b>	<b>206,560</b>	<b>1,576,922</b>	<b>1,576,922</b>
<b>Total</b>	<b>16,723,171</b>	<b>(30,795)</b>	<b>1,761,119</b>	<b>224,359</b>	<b>18,677,854</b>	<b>18,699,563</b>



In thousands of euros	31 December 2020					
	Cost price	Impairments	Reassessment through other items of comprehensive income	Reassessment through profit or loss	Net book value	Fair value
Available for sale	51,969	(12,321)	89,012	-	128,659	128,659
<b>Participating interests</b>	<b>51,969</b>	<b>(12,321)</b>	<b>89,012</b>	<b>-</b>	<b>128,659</b>	<b>128,659</b>
Available for sale	446,367	(16,271)	94,791	-	524,887	524,887
Designated at fair value through profit or loss	117,856	-	-	(11,790)	106,066	106,066
Held for trading	9,234	-	-	(709)	8,526	8,526
<b>Equities</b>	<b>573,457</b>	<b>(16,271)</b>	<b>94,791</b>	<b>(12,498)</b>	<b>639,478</b>	<b>639,478</b>
Available for sale	200,706	(2,669)	99,416	-	297,453	297,453
Designated at fair value through profit or loss	12,542	-	-	1,466	14,009	14,009
<b>Investment funds</b>	<b>213,248</b>	<b>(2,669)</b>	<b>99,416</b>	<b>1,466</b>	<b>311,461</b>	<b>311,461</b>
Available for sale	13,245,096	(1,239)	1,951,679	-	15,195,536	15,195,536
Designated at fair value through profit or loss	297,666	-	-	12,477	310,143	310,143
<b>Bonds</b>	<b>13,542,762</b>	<b>(1,239)</b>	<b>1,951,679</b>	<b>12,477</b>	<b>15,505,679</b>	<b>15,505,679</b>
Loans and deposits	646,356	(94)	-	-	646,262	669,275
<b>Other investments</b>	<b>646,356</b>	<b>(94)</b>	<b>-</b>	<b>-</b>	<b>646,262</b>	<b>669,275</b>
Held for trading	1,917	-	-	(1,590)	327	327
Held for hedging purposes	-	-	29,336	-	29,336	29,336
<b>Derivative financial assets</b>	<b>1,917</b>	<b>-</b>	<b>29,336</b>	<b>(1,590)</b>	<b>29,663</b>	<b>29,663</b>
<b>Investments belonging to unit-linked insurance contracts</b>	<b>1,339,882</b>	<b>-</b>	<b>-</b>	<b>151,259</b>	<b>1,491,140</b>	<b>1,491,140</b>
<b>Total</b>	<b>16,369,591</b>	<b>(32,595)</b>	<b>2,264,233</b>	<b>151,114</b>	<b>18,752,343</b>	<b>18,775,356</b>

The cost includes the undepreciated part of the actuarial adjustments (for bonds) as well as the accrued interests not yet due. The fair value of the loans is based on valuation methods including data that are not based on observable market data (surrenders, evolution in the value of the guarantees, management costs). The fair value is based on the application of a model price obtained by the discounting of projected cash flows on the basis of the forward rate curve and taking into account the historical surrender assumption. The risk-free discount curve is adjusted to take into account the credit risks based on an analysis of the portfolio and of the guarantees as well as of the market practices.

The fair value of loans is classified as Level 3. Indeed, the valuation approach is based on a deterministic model and includes data that are not directly observable in the markets.

## IV.4.2 Evolution of financial investments

In thousands of euros	30 June 2021						Total
	Available-for-sale investments	Financial assets designated at fair value through profit or loss	Financial assets held for trading	Loans, deposits and other financial investments	Derivative financial instruments (assets)	Investments belonging to unit-linked insurance contracts	
<b>Opening balance on 1 January</b>	<b>16,146,534</b>	<b>430,218</b>	<b>8,526</b>	<b>646,262</b>	<b>29,663</b>	<b>1,491,140</b>	<b>18,752,343</b>
Acquisitions	1,410,214	26,533	62,816	459,157	188	184,805	<b>2,143,713</b>
Reclassifications between categories	-	-	-	(2,200)	-	-	<b>(2,200)</b>
De-recognition following exercise option	-	-	-	-	(16,138)	-	<b>(16,138)</b>
Profits and losses realized on hedging instruments not yet transferred to profit or loss	(16,060)	-	-	-	16,060	-	-
Disposals and reimbursements	(1,029,823)	(27,522)	(66,680)	(424,385)	(16,346)	(172,672)	<b>(1,737,428)</b>
Foreign currency translation differences on monetary assets	-	-	-	-	-	-	-
Adjustment at fair value	(489,138)	16,616	(302)	-	12,277	76,794	<b>(383,753)</b>
Amortizations	(18,381)	403	-	26	-	(2,035)	<b>(19,987)</b>
Changes in accrued interests not yet due	(54,852)	(1,227)	-	759	-	(1,110)	<b>(56,430)</b>
Impairments	(2,262)	-	-	(3)	-	-	<b>(2,265)</b>
Change in the consolidation scope	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-
<b>Net book value on 30 June</b>	<b>15,946,231</b>	<b>445,021</b>	<b>4,360</b>	<b>679,616</b>	<b>25,703</b>	<b>1,576,922</b>	<b>18,677,854</b>

In thousands of euros	31 December 20						Total
	Available-for-sale investments	Financial assets designated at fair value through profit or loss	Financial assets held for trading	Loans, deposits and other financial investments	Derivative financial instruments (assets)	Investments belonging to unit-linked insurance contracts	
<b>Opening balance on 1 January</b>	<b>14,994,049</b>	<b>613,307</b>	<b>2,719</b>	<b>483,324</b>	<b>98,742</b>	<b>1,394,250</b>	<b>17,586,391</b>
Acquisitions	2,824,158	44,266	83,077	339,235	1,087	383,750	<b>3,675,572</b>
Reclassifications between categories	-	-	-	(7,021)	-	-	<b>(7,021)</b>
De-recognition following exercise option	-	-	-	-	(122,639)	-	<b>(122,639)</b>
Profits and losses realized on hedging instruments not yet transferred to profit or loss	(59,102)	-	-	-	59,102	-	-
Disposals and reimbursements	(2,119,215)	(209,647)	(75,454)	(169,266)	(59,133)	(329,882)	<b>(2,962,597)</b>
Foreign currency translation differences on monetary assets	1	-	-	-	-	-	<b>1</b>
Adjustment at fair value	571,452	(16,043)	(1,816)	-	52,504	48,540	<b>654,638</b>
Amortizations	(47,149)	842	-	31	-	(5,019)	<b>(51,294)</b>
Changes in accrued interests not yet due	(6,046)	(2,508)	-	406	-	(499)	<b>(8,647)</b>
Impairments	(11,615)	-	-	(446)	-	-	<b>(12,061)</b>
Change in the consolidation scope	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-
<b>Net book value on 31 December</b>	<b>16,146,534</b>	<b>430,218</b>	<b>8,526</b>	<b>646,262</b>	<b>29,663</b>	<b>1,491,140</b>	<b>18,752,343</b>

Adjustments to the fair value for derivatives (assets) break down into 12.4 million euros for derivative hedging instruments (against 53.7 million euros in December 2020) and -0.1 million euros for derivative trading instruments (against -1.2 million euros in December 2020).

### IV.4.3 Evolution of impairments on investments

#### IV.4.3.1 Impairment on available-for-sale investments

In thousands of euros	30 June 2021	31 December 2020
<b>Balance on 1 January</b>	<b>(32,501)</b>	<b>(36,296)</b>
Provision for impairments	(2,262)	(11,615)
Reversals of impairments	-	-
Reversals due to disposals	4,043	15,410
Change in the consolidation scope	-	-
Reclassifications	-	-
Other changes	-	-
<b>Balance on 30 June / 31 December</b>	<b>(30,720)</b>	<b>(32,501)</b>

#### IV.4.3.2 Impairments on loans, deposits and other financial investments

In thousands of euros	30 June 2021	31 December 2020
<b>Balance on 1 January</b>	(94)	(5,187)
Provision for impairments	(32)	(665)
Reversals of impairments	29	220
Reversals due to disposals	23	5,539
Change in the consolidation scope	-	-
Reclassifications	-	-
Other changes	-	-
<b>Balance on 30 June / 31 December</b>	<b>(74)</b>	<b>(94)</b>

#### IV.4.4 Definition of fair value of financial instruments

The table below gives a fair value analysis of the financial instruments measured at fair value. They are split in three levels, from 1 to 3 based on the degree of observability of the fair value:

In thousands of euros	30 June 2021			Net book value
	Level 1 Listed prices on an active market	Level 2 Valuation methods based on observable market data	Level 3 Valuation methods not based on observable market data	
<b>Financial assets</b>				
Available for sale	3	-	133,018	133,020
<b>Participating interests</b>	<b>3</b>	<b>-</b>	<b>133,018</b>	<b>133,020</b>
Available for sale	500,029	-	70,379	570,408
Designated at fair value through profit or loss	116,419	-	-	116,419
Held for trading	4,360	-	-	4,360
<b>Equities</b>	<b>620,808</b>	<b>-</b>	<b>70,379</b>	<b>691,187</b>
Available for sale	198,919	22,989	143,567	365,475
Designated at fair value through profit or loss	19,388	-	-	19,388
Held for trading	-	-	-	-
<b>Investment funds</b>	<b>218,307</b>	<b>22,989</b>	<b>143,567</b>	<b>384,863</b>
Available for sale	12,895,589	1,804,543	177,196	14,877,328
Designated at fair value through profit or loss	136,332	154,686	18,196	309,214
Held for trading	-	-	-	-
<b>Bonds</b>	<b>13,031,921</b>	<b>1,959,229</b>	<b>195,392</b>	<b>15,186,541</b>
Held for trading	23	53	-	76
Held for hedging purposes	-	25,627	-	25,627
<b>Derivative financial assets</b>	<b>23</b>	<b>25,681</b>	<b>-</b>	<b>25,703</b>
<b>Investments belonging to unit-linked insurance contracts</b>	<b>1,545,285</b>	<b>31,637</b>	<b>-</b>	<b>1,576,922</b>
<b>Total financial assets</b>	<b>15,416,346</b>	<b>2,039,536</b>	<b>542,355</b>	<b>17,998,238</b>
<b>Financial liabilities</b>				
<b>Investment contracts hedged by assets at fair value</b>	<b>1,548,500</b>	<b>31,637</b>	<b>-</b>	<b>1,580,138</b>
Held for trading	-	-	-	-
Held for hedging purposes	-	14,295	-	14,295
<b>Derivative financial liabilities</b>	<b>-</b>	<b>14,295</b>	<b>-</b>	<b>14,295</b>
<b>Total financial liabilities</b>	<b>1,548,500</b>	<b>45,932</b>	<b>-</b>	<b>1,594,433</b>

In thousands of euros

	31 December 20			Net book value
	Level 1 Listed prices on an active market	Level 2 Valuation methods based on observable market data	Level 3 Valuation methods not based on observable market data	
<b>Financial assets</b>				
Available for sale	3	-	128,657	128,659
<b>Participating interests</b>	<b>3</b>	<b>-</b>	<b>128,657</b>	<b>128,659</b>
Available for sale	463,799	-	61,088	524,887
Designated at fair value through profit or loss	106,066	-	-	106,066
Held for trading	8,526	-	-	8,526
<b>Equities</b>	<b>578,391</b>	<b>-</b>	<b>61,088</b>	<b>639,478</b>
Available for sale	170,139	21,341	105,973	297,453
Designated at fair value through profit or loss	14,009	-	-	14,009
Held for trading	-	-	-	-
<b>Investment funds</b>	<b>184,148</b>	<b>21,341</b>	<b>105,973</b>	<b>311,461</b>
Available for sale	13,686,202	1,368,708	140,626	15,195,536
Designated at fair value through profit or loss	137,850	154,750	17,542	310,143
Held for trading	-	-	-	-
<b>Bonds</b>	<b>13,824,053</b>	<b>1,523,458</b>	<b>158,168</b>	<b>15,505,679</b>
Held for trading	286	41	-	327
Held for hedging purposes	-	29,336	-	29,336
<b>Derivative financial assets</b>	<b>286</b>	<b>29,376</b>	<b>-</b>	<b>29,663</b>
<b>Investments belonging to unit-linked insurance contracts</b>	<b>1,463,370</b>	<b>27,771</b>	<b>-</b>	<b>1,491,140</b>
<b>Total financial assets</b>	<b>16,050,250</b>	<b>1,601,946</b>	<b>453,885</b>	<b>18,106,081</b>
<b>Financial liabilities</b>				
<b>Investment contracts hedged by assets at fair value</b>	<b>1,466,597</b>	<b>27,771</b>	<b>-</b>	<b>1,494,368</b>
Held for trading	-	-	-	-
Held for hedging purposes	-	925	-	925
<b>Derivative financial liabilities</b>	<b>-</b>	<b>925</b>	<b>-</b>	<b>925</b>
<b>Total financial liabilities</b>	<b>1,466,597</b>	<b>28,696</b>	<b>-</b>	<b>1,495,293</b>

The fair value distribution of liabilities related to unit-linked insurance contracts is shown in the investment contracts hedged by assets at fair value. This category also includes investment contract liabilities without discretionary participation features.

#### IV.4.5 Distribution between the various hierarchic levels

There has been no change in the criteria used to allocate assets between the different hierarchical levels. For further information, please refer to the corresponding notes in the consolidated financial statements of the annual report as at 31 December 2020.

## IV.4.6 Important transfers between investments estimated at fair value in level 1 and 2

In thousands of euros	30 June 2021		31 December 2020	
	From level 1 to level 2	From level 2 to level 1	From level 1 to level 2	From level 2 to level 1
<b>Financial assets</b>				
Available for sale	-	-	-	-
<b>Participating interests</b>	-	-	-	-
Available for sale	-	-	-	-
Designated at fair value through profit or loss	-	-	-	-
Held for trading	-	-	-	-
<b>Equities</b>	-	-	-	-
Available for sale	-	-	-	-
Designated at fair value through profit or loss	-	-	-	-
Held for trading	-	-	-	-
<b>Investment funds</b>	-	-	-	-
Available for sale	81,751	47,757	35,579	84,086
Designated at fair value through profit or loss	-	-	-	-
Held for trading	-	-	-	-
<b>Bonds</b>	<b>81,751</b>	<b>47,757</b>	<b>35,579</b>	<b>84,086</b>
Held for trading	-	-	-	-
Held for hedging purposes	-	-	-	-
<b>Derivative financial assets</b>	-	-	-	-
<b>Investments belonging to unit-linked insurance contracts</b>	-	-	-	-
<b>Total financial assets</b>	<b>81,751</b>	<b>47,757</b>	<b>35,579</b>	<b>84,086</b>
<b>Financial liabilities</b>				
<b>Investment contracts hedged by assets at fair value</b>	-	-	-	-
Held for trading	-	-	-	-
Held for hedging purposes	-	-	-	-
<b>Derivative financial liabilities</b>	-	-	-	-
<b>Total financial liabilities</b>	-	-	-	-

In and out transfers of hierarchic levels of fair values are proposed on the basis of the inventory value at the beginning of the year.

Transfers between investments from level 2 to level 1 (47.8 million euros in Q1 and Q2 2021) involve securities for which the source of the market price was the price given by a counterparty and which are currently valued by the BGN price (generic Bloomberg) and, inversely, transfers from level 1 to level 2 (i.e. for 81.8 million euros in Q1 and Q2 2021) involve securities that were valued by BGN (generic Bloomberg) and that are currently valued by the market price given by a counterparty.

## IV.4.7 Evolution of investments estimated at fair value in level 3

In thousands of euros	30 June 2021		
	Available-for-sale investments	Financial assets at fair value through profit or loss	Total
<b>Opening balance on 1 January</b>	<b>436,343</b>	<b>17,542</b>	<b>453,885</b>
Acquisitions	79,381	-	79,381
Reclassifications between categories	-	-	-
Reclassification to level 3	-	-	-
Exit from level 3	-	-	-
Disposals and reimbursements	(7,825)	-	(7,825)
Adjustment at fair value through equity	15,843	-	15,843
Adjustment at fair value through profit or loss	-	560	560
Depreciation (premiums/discounts)	731	-	731
Changes in accrued interests not yet due	(154)	94	(59)
Impairments through profit or loss	(160)	-	(160)
Other changes	-	-	-
<b>Closing balance on 30 June</b>	<b>524,159</b>	<b>18,196</b>	<b>542,355</b>

In thousands of euros	31 December 2020		
	Available-for-sale investments	Financial assets at fair value through profit or loss	Total
<b>Opening balance on 1 January</b>	<b>336,836</b>	<b>54,633</b>	<b>391,470</b>
Acquisitions	102,208	-	102,208
Reclassifications between categories	-	-	-
Reclassification to level 3	-	-	-
Exit from level 3	-	(22,749)	(22,749)
Disposals and reimbursements	(14,627)	(14,999)	(29,626)
Adjustment at fair value through equity	10,539	-	10,539
Adjustment at fair value through profit or loss	-	671	671
Depreciation (premiums/discounts)	1,420	-	1,420
Changes in accrued interests not yet due	(33)	(14)	(47)
Impairments through profit or loss	-	-	-
Other changes	-	-	-
<b>Closing balance on 31 December</b>	<b>436,343</b>	<b>17,542</b>	<b>453,885</b>

The amount of acquisitions (79.4 million euros - AFS) mainly includes the acquisition of alternative bond funds for 42 million euros (including Eiffel Energy Transition Fund II for 15 million euros and Capital 4 Private Debt III for 14 million euros) and the acquisition of infrastructure funds for 35 million euros (including Infragreen IV for 9.5 million euros and Pearl infrastructure capital for 9.6 million euros).

Sales and redemptions (7.8 million euros - AFS) are explained solely by redemptions of infrastructure and private equity funds.

## IV.5 Deferred tax assets and liabilities

Net deferred taxes amount to -70 million euros (compared to -87.1 million euros at 31/12/2020). This change of +17.1 million change is mainly due to the change in deferred taxes on revaluations of investments classified as AFS (+143.6 million euros) offset by the change in deferred taxes on technical provisions (-101.5 million euros), the change in deferred taxes on provisions for pension commitments (-9.9 million euros) and the change in deferred taxes on recoverable tax losses (-15.3 million euros).

## IV.6 Receivables

### IV.6.1 Breakdown of receivables by nature

In thousands of euros	30 June 2021		
	Gross value	Impairment	Net book value
Receivables arising from direct insurance operations and accepted reinsurance	289,526	(21,946)	267,580
Receivables arising from ceded reinsurance operations	74,080	-	74,080
Receivables arising from other operations	89,648	(1,632)	88,016
Tax receivables	21,528	-	21,528
Other receivables	70,518	(1,635)	68,882
<b>Total</b>	<b>545,299</b>	<b>(25,213)</b>	<b>520,086</b>

In thousands of euros	31 December 20		
	Gross value	Impairment	Net book value
Receivables arising from direct insurance operations and accepted reinsurance	246,479	(28,632)	217,848
Receivables arising from ceded reinsurance operations	124,132	-	124,132
Receivables arising from other operations	79,742	(1,187)	78,555
Tax receivables	7,872	-	7,872
Other receivables	86,837	(1,595)	85,241
<b>Total</b>	<b>545,062</b>	<b>(31,414)</b>	<b>513,648</b>

The fair value equals the net book value of the receivables. Indeed, the Group considers that for this type of assets the book value is sufficiently close to the market value of the receivables.

The increase in receivables is mainly due to the fact that a significant portion of the Non-Life premiums are issued in the first half of the year.

### IV.6.2 Evolution of impairments on receivables

In thousands of euros	30 June 2021	31 December 2020
<b>Impairments on receivables on 1 January</b>	<b>(31,414)</b>	<b>(26,778)</b>
Provisions of the financial year	(5,246)	(15,763)
Expenditures of the financial year	3,601	1,463
Reversals of the financial year	8,477	9,580
Changes in the consolidation scope	(212)	(102)
Other changes	(418)	186
<b>Impairments on receivables on 30 June/31 December</b>	<b>(25,213)</b>	<b>(31,414)</b>



### IV.6.3 Outstanding receivables

There were no significant changes in the first half of 2021. For further information, please refer to the corresponding notes in the consolidated financial statements of the annual report as at 31 December 2020.

## IV.7 Available-for-sale assets and liabilities including assets from discontinued activities

In thousands of euros	30 June 2021	31 December 2020
Intangible assets	-	-
Investment properties	-	-
Operational buildings	35,861	17,773
Other tangible fixed assets	4,871	1,095
<b>Total</b>	<b>40,732</b>	<b>18,868</b>

In 2021, the Board of Directors of Ethias has approved the sale of the Liège main office. The sale includes the building on the Rue des Croisiers and the car park on the Rue du Méry. The reclassification as an "asset held for sale" generated an impairment of 15.1 million euros, bringing the total book value to 21.4 million euros. The building listed in the note in 2020 was sold in July 2021 and is therefore still included in the accounts at 30 June 2021.

## IV.8 Insurance and investment contract liabilities

Technical liabilities with regard to insurance and investment contracts, including those for which the financial risk is supported by the insured, are divided into gross liabilities and reinsurers' share. Gross liabilities are divided according to the nature of technical provision. Investment contract liabilities with discretionary participation features are presented separately from the investment contract liabilities without discretionary participation features.

### IV.8.1 Liabilities related to Non-Life insurance contracts

In thousands of euros	30 June 2021	31 December 2020
Mathematical provisions	996,933	968,039
Provisions for unearned premiums	505,858	296,447
Claims provisions	2,566,207	2,532,491
Shadow accounting	-	-
Other provisions	210,672	205,746
<b>Total insurance contract liabilities (gross)</b>	<b>4,279,670</b>	<b>4,002,723</b>
Reinsurers' share in liabilities related to Non-Life insurance contracts	178,450	156,291
<b>Total insurance contract liabilities (after deduction of the reinsurers' share)</b>	<b>4,101,221</b>	<b>3,846,431</b>

The increase in mathematical provisions is mainly due to the indexation of annuities.

The increase in provisions for unearned premiums is explained by the fact that a significant portion of the Non-Life premiums are issued in the first half of the year.

The increase in claims provisions is partly due to the pandemic (decrease in claims in 2020).

## IV.8.2 Liabilities related to Life insurance contracts

In thousands of euros	30 June 2021	31 December 2020
Mathematical provisions	4,258,636	4,203,610
Claims provisions	-	-
Shadow accounting	640,198	860,943
Other provisions	6,798	-
<b>Insurance contract liabilities</b>	<b>4,905,632</b>	<b>5,064,554</b>
<b>Liabilities related to unit-linked insurance contracts</b>	<b>467,663</b>	<b>447,704</b>
<b>Total insurance contract liabilities (gross)</b>	<b>5,373,294</b>	<b>5,512,258</b>
Reinsurers' share in liabilities related to Life insurance contracts	3,959	1,311
<b>Total insurance contract liabilities (after deduction of the reinsurers' share)</b>	<b>5,369,336</b>	<b>5,510,947</b>

The amount of 6.8 million euros included under "Other provisions" corresponds to the estimated profit-sharing during the year.

Some reinsurance treaties related to the Life insurance contracts cannot cover the actual insurance risk in the liabilities related to Life insurance contracts, but only the financial risk. In order to present the information in a coherent way, the part of these treaties is presented in accordance with the Life insurance contracts to which they are related.

The decrease in liabilities related to Life insurance contracts is mainly explained by the increase in rates impacting shadow accounting, partially offset by the allocation of profit-sharing at January 1<sup>st</sup>.

## IV.8.3 Investment contract liabilities

In thousands of euros	30 June 2021	31 December 2020
Mathematical provisions	4,342,894	4,376,813
Claims provisions	-	-
Shadow accounting	442,346	620,767
Other provisions	19,760	-
<b>Investment contract liabilities with discretionary participation features</b>	<b>4,805,000</b>	<b>4,997,580</b>
<b>Liabilities related to unit-linked investment contracts with discretionary participation features</b>	<b>1,091,664</b>	<b>1,029,997</b>
Mathematical provisions	3,216	3,227
<b>Investment contract liabilities without discretionary participation features</b>	<b>3,216</b>	<b>3,227</b>
<b>Liabilities related to unit-linked investment contracts without discretionary participation features</b>	<b>17,595</b>	<b>13,440</b>
<b>Total investment contract liabilities (gross)</b>	<b>5,917,475</b>	<b>6,044,244</b>
Reinsurers' share in investment contract liabilities with discretionary participation features	-	-
<b>Total investment contract liabilities (after deduction of the reinsurers' share)</b>	<b>5,917,475</b>	<b>6,044,244</b>

The amount of 20 million euros included under "Other provisions" corresponds to the estimated profit-sharing during the year.

The decrease in liabilities related to investment contracts is mainly explained by the increase in rates impacting shadow accounting and higher benefits than premiums, partially offset by the allocation of profit-sharing at January 1<sup>st</sup> and by the decrease in interest rates.

## IV.8.4 Profit sharing liabilities

In thousands of euros	30 June 2021	31 December 2020
Profit sharing related to Non-Life insurance contracts	-	-
Profit sharing related to Life insurance contracts	2,902	3,597
Profit sharing related to investment contracts	-	36,069
<b>Liabilities for profit sharing of policyholders</b>	<b>2,902</b>	<b>39,666</b>

In the course of the year, the estimated Life profit sharing is recorded under "Other provisions" (see tables above).

## IV.9 Financial debts

The following table details the financial debts.

In thousands of euros	30 June 2021		31 December 2020	
	Balance value	Fair value	Balance value	Fair value
Convertible subordinated bond loans	-	-	-	-
Non-convertible subordinated bond loans	479,223	581,099	487,694	580,854
<b>Subordinated debts</b>	<b>479,223</b>	<b>581,099</b>	<b>487,694</b>	<b>580,854</b>
<b>Lease obligations</b>	<b>40,644</b>	<b>40,644</b>	<b>35,079</b>	<b>35,079</b>
Convertible bond loans	-	-	-	-
Non-convertible bond loans	-	-	-	-
Bank overdrafts	77	77	870	870
Payables arising from repurchase operations (repo)	602,591	602,591	575,631	575,631
Collateral received as guarantee	13,212	13,212	45,708	45,708
Others	72,023	72,023	62,853	62,853
<b>Other financial debts</b>	<b>687,903</b>	<b>687,903</b>	<b>685,061</b>	<b>685,061</b>
<b>Total of the financial debts</b>	<b>1,207,770</b>	<b>1,309,647</b>	<b>1,207,834</b>	<b>1,300,995</b>

The assessments at fair value of the loans issued in 2015 and the balance of the 2005 perpetual loan, with a total nominal amount of 417 million euros, are based on the "Ask" market price (source Bloomberg). The fair value of the bond loan issued in 2005 with a 2023 maturity, for a nominal amount of 75 million euros, is determined on the basis of observable factors such as the levels of interest rate markets and credit markets. The valuation model is based on the discounting of future cash flows and takes into account the probability of exercise of the various repayment options available to investors.

## IV.10 Employee benefits

There were no significant changes in the first half of 2021. For further information, please refer to the corresponding notes in the consolidated financial statements of the annual report as at 31 December 2020.

## IV.11 Trade and other payables

The following table details trade and other payables.

In thousands of euros	30 June 2021	31 December 2020
Liabilities arising from direct insurance operations and accepted reinsurance	119,221	150,151
Liabilities arising from ceded reinsurance operations	106,928	133,275
<b>Liabilities from operating activities</b>	<b>226,149</b>	<b>283,426</b>
Tax on current result	2,720	4,769
Other contributions and taxes	59,893	27,820
<b>Tax liability payable</b>	<b>62,613</b>	<b>32,589</b>
Social security payables	57,464	67,017
Trade payables	97,361	86,502
Other payables	89,193	74,983
Accruals for liabilities	30,238	14,240
<b>Other payables</b>	<b>274,256</b>	<b>242,742</b>
<b>Total other payables</b>	<b>563,018</b>	<b>558,757</b>

Debt arising from direct insurance operations and accepted reinsurance operations include premiums paid prior to maturity, amounts due to various applicants and benefits to be paid.

The other debts mainly include rental guarantees, costs on ring-fenced funds to be liquidated, unallocated payments and stock exchange transactions to be paid.

The accruals mainly include the subsidies to be carried forward and the other income to be carried forward.

The fair value equals the net book value of the debts. Indeed, the Group considers that for this type of debts the book value is sufficiently close to the market value of the debts.

# V. NOTES TO THE CONSOLIDATED INCOME STATEMENT

## V.1 Income from insurance activities

In thousands of euros	30 June 2021			
	Insurance contracts		Investment contracts with discretionary participation features Life	Total
	Life	Non-Life		
Gross premiums	142,999	905,778	522,418	1,571,195
Premiums ceded to reinsurers	(1,367)	(38,380)	-	(39,746)
Change in provision for unearned premiums and outstanding risks (net of reinsurance)	-	(191,180)	-	(191,180)
Other income from insurance activities	1,868	722	124	2,714
<b>Revenues of insurance activities (net of reinsurance)</b>	<b>143,500</b>	<b>676,940</b>	<b>522,543</b>	<b>1,342,982</b>

In thousands of euros	30 June 2020			
	Insurance contracts		Investment contracts with discretionary participation features Life	Total
	Life	Non-Life		
Gross premiums	148,695	886,393	479,498	1,514,586
Premiums ceded to reinsurers	(1,512)	(31,521)	-	(33,034)
Change in provision for unearned premiums and outstanding risks (net of reinsurance)	-	(191,574)	-	(191,574)
Other income from insurance activities	1,763	808	45	2,616
<b>Revenues of insurance activities (net of reinsurance)</b>	<b>148,946</b>	<b>664,105</b>	<b>479,543</b>	<b>1,292,594</b>

Premiums regarding investment contracts without discretionary participation features follow the deposit accountancy. They are recognized in investment revenues.

## V.2 Technical expenses for insurance activities

In thousands of euros	30 June 2021			
	Insurance contracts		Investment contracts with discretionary participation features Life	Total
	Life	Non-Life		
Claims and insurance benefits	222,373	504,471	577,490	1,304,334
Net expenses or revenues ceded to reinsurers	(2,637)	(12,194)	-	(14,831)
Management costs	15,375	140,782	28,084	184,242
<b>Technical expenses for insurance activities</b>	<b>235,111</b>	<b>633,060</b>	<b>605,574</b>	<b>1,473,745</b>

In thousands of euros	30 June 2020			
	Insurance contracts		Investment contracts with discretionary participation features Life	Total
	Life	Non-Life		
Claims and insurance benefits	180,280	475,491	438,368	1,094,138
Net expenses or revenues ceded to reinsurers	(679)	(7,647)	-	(8,326)
Management costs	12,185	138,089	29,323	179,596
<b>Technical expenses for insurance activities</b>	<b>191,785</b>	<b>605,933</b>	<b>467,691</b>	<b>1,265,409</b>

Deposit accounting is applied to expenses and benefits regarding investment contracts without discretionary participation.

Management costs include acquisition costs of the contracts, administrative costs and other technical expenses. Internal and external claim handling costs are included in the expenses and insurance benefits.

## V.3 Net financial result without finance costs

In thousands of euros	30 June 2021					Total
	Net income from investments	Net realized gains or losses on investments	Change in fair value of investments through profit or loss	Change in amortizations and depreciations on investments	Other investment financial expenses	
<b>Investment properties</b>	<b>10,773</b>	-	-	<b>(5,270)</b>	-	<b>5,503</b>
Available for sale	1,884	168	-	(160)	-	1,892
<b>Participating interests</b>	<b>1,884</b>	<b>168</b>	-	<b>(160)</b>	-	<b>1,892</b>
Available for sale	18,885	9,055	-	1,940	-	29,880
At fair value through profit or loss	2,959	2,322	99,841	-	-	105,121
Held for trading	132	2,572	(302)	-	-	2,403
<b>Shares and investment funds</b>	<b>21,975</b>	<b>13,949</b>	<b>99,540</b>	<b>1,940</b>	-	<b>137,404</b>
Available for sale	149,116	3,353	68	-	-	152,537
At fair value through profit or loss	4,207	(1,026)	(8,390)	-	-	(5,210)
Unlisted at amortized cost price	-	-	-	-	-	-
<b>Bonds</b>	<b>153,323</b>	<b>2,327</b>	<b>(8,322)</b>	-	-	<b>147,327</b>
<b>Loans, deposits and other financial investments</b>	<b>9,377</b>	-	-	<b>(3)</b>	-	<b>9,374</b>
Held for trading	-	(272)	(153)	-	-	(425)
Held for hedging purposes	-	-	(1,922)	-	-	(1,922)
<b>Derivative financial instruments</b>	-	<b>(272)</b>	<b>(2,075)</b>	-	-	<b>(2,347)</b>
<b>Investments belonging to unit-linked insurance contracts</b>	<b>(4,155)</b>	<b>38</b>	<b>1,967</b>	-	-	<b>(2,150)</b>
<b>Cash and cash equivalents</b>	<b>2,601</b>	-	<b>(69)</b>	-	-	<b>2,532</b>
<b>Others</b>	<b>2,931</b>	-	-	-	<b>(7,203)</b>	<b>(4,272)</b>
<b>Net financial result without finance costs</b>	<b>198,709</b>	<b>16,209</b>	<b>91,040</b>	<b>(3,492)</b>	<b>(7,203)</b>	<b>295,263</b>

In thousands of euros	30 June 2020					Total
	Net income from investments	Net realized gains or losses on investments	Change in fair value of investments through profit or loss	Change in amortizations and depreciations on investments	Other investment financial expenses	
<b>Investment properties</b>	<b>17,281</b>	<b>27</b>	<b>-</b>	<b>(8,231)</b>	<b>-</b>	<b>9,078</b>
Available for sale	1,677	(2,107)	-	-	-	(430)
<b>Participating interests</b>	<b>1,677</b>	<b>(2,107)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(430)</b>
Available for sale	9,881	3,040	-	(8,519)	-	4,403
At fair value through profit or loss	1,436	(3,346)	(61,308)	-	-	(63,219)
Held for trading	45	1,778	(771)	-	-	1,052
<b>Shares and investment funds</b>	<b>11,362</b>	<b>1,472</b>	<b>(62,079)</b>	<b>(8,519)</b>	<b>-</b>	<b>(57,764)</b>
Available for sale	152,442	16,381	2	-	-	168,825
At fair value through profit or loss	6,357	1,833	(17,861)	-	-	(9,671)
Unlisted at amortized cost price	-	-	-	-	-	-
<b>Bonds</b>	<b>158,799</b>	<b>18,214</b>	<b>(17,859)</b>	<b>-</b>	<b>-</b>	<b>159,154</b>
<b>Loans, deposits and other financial investments</b>	<b>6,405</b>	<b>-</b>	<b>-</b>	<b>(468)</b>	<b>-</b>	<b>5,938</b>
Held for trading	-	27	199	-	-	226
Held for hedging purposes	-	-	-	-	-	-
<b>Derivative financial instruments</b>	<b>-</b>	<b>27</b>	<b>199</b>	<b>-</b>	<b>-</b>	<b>226</b>
<b>Investments belonging to unit-linked insurance contracts</b>	<b>(10)</b>	<b>36</b>	<b>(1,336)</b>	<b>-</b>	<b>-</b>	<b>(1,310)</b>
<b>Cash and cash equivalents</b>	<b>2,329</b>	<b>-</b>	<b>(24)</b>	<b>-</b>	<b>-</b>	<b>2,305</b>
<b>Others</b>	<b>1,973</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,821)</b>	<b>(4,848)</b>
<b>Net financial result without finance costs</b>	<b>199,816</b>	<b>17,668</b>	<b>(81,099)</b>	<b>(17,217)</b>	<b>(6,821)</b>	<b>112,347</b>

Net income of investments includes dividends, interests as well as actuarial depreciation of premiums and discounts on bonds.

## V.4 Employee benefit expenses

There were no significant changes in the first half of 2021. For further information, please refer to the corresponding notes in the consolidated financial statements of the annual report as at 31 December 2020.



# VI. NOTES RELATING TO ITEMS NOT INCLUDED IN THE BALANCE SHEET

## VI.1 Related parties

The following transactions with related parties are shown in these notes:

- The key management personnel of the Group, who are the directors of Ethias SA;
- The entities exercising joint control or significant influence over the entity, which are the Federal State via the SFPI/FPIM, the Walloon Region via the SRIW, the Flemish Region and EthiasCo;
- The non-consolidated subsidiaries, which are L'ouvrier chez lui and Sire Holding;
- The joint ventures in which the entity is a joint venturer, which are WLP Holding, Belgium DC and Together Services;
- The associated companies, which are IMA Benelux, Ariane Building, AssurCard, Bedrijvencentrum Geraardsbergen, Epimede, Palais des Expositions Charleroi, NEB Foncière, NEB Participations and Vital Building; and
- The other related parties, viz. Ethias Pension Fund (OPF).

### VI.1.1 Transactions related to the balance sheet

In thousands of euros	30 June 2021					Total
	The entities exercising joint control or significant influence over the entity.	Non-consolidated subsidiaries	Joint ventures	Associated companies	Other related parties	
Loans	52,708	-	9,221	16,677	-	78,606
Receivables	-	-	69	16	-	86
Any other assets	-	-	-	-	-	-
<b>Total assets with related parties</b>	<b>52,708</b>	<b>-</b>	<b>9,291</b>	<b>16,693</b>	<b>-</b>	<b>78,692</b>
Insurance and investment contract liabilities	-	-	-	-	-	-
Financial debts	-	-	-	-	-	-
Trade and other payables	-	-	138	-	-	138
<b>Total liabilities with related parties</b>	<b>-</b>	<b>-</b>	<b>138</b>	<b>-</b>	<b>-</b>	<b>138</b>

In thousands of euros	31 December 20					Total
	The entities exercising joint control or significant influence over the entity.	Non-consolidated subsidiaries	Joint ventures	Associated companies	Other related parties	
Loans	60,000	-	11,621	19,043	-	90,665
Receivables	-	-	14	1,212	-	1,225
Any other assets	-	-	-	-	-	-
<b>Total assets with related parties</b>	<b>60,000</b>	<b>-</b>	<b>11,635</b>	<b>20,255</b>	<b>-</b>	<b>91,890</b>
Insurance and investment contract liabilities	-	-	-	-	-	-
Financial debts	-	-	-	-	-	-
Trade and other payables	-	-	78	-	-	78
<b>Total liabilities with related parties</b>	<b>-</b>	<b>-</b>	<b>78</b>	<b>-</b>	<b>-</b>	<b>78</b>

## VI.1.2 Transactions related to revenues and expenses

In thousands of euros	30 June 2021					Total
	The entities exercising joint control or significant influence over the entity.	Non-consolidated subsidiaries	Joint ventures	Associated companies	Other related parties	
Turnover	-	-	98	-	-	98
Operating expenses	51	-	(2,958)	(1,650)	(21,835)	(26,392)
Financial income	37	-	435	4,449	-	4,920
Financial and financing expenses	-	-	(127)	-	-	(127)
<b>Total</b>	<b>88</b>	<b>-</b>	<b>(2,553)</b>	<b>2,799</b>	<b>(21,835)</b>	<b>(21,502)</b>

In thousands of euros	30 June 2020					Total
	The entities exercising joint control or significant influence over the entity.	Non-consolidated subsidiaries	Joint ventures	Associated companies	Other related parties	
Turnover	-	-	-	-	-	-
Operating expenses	53	-	-	-	(24,503)	(24,450)
Financial income	24	-	-	3,959	-	3,983
Financial and financing expenses	-	-	-	-	-	-
<b>Total</b>	<b>77</b>	<b>-</b>	<b>-</b>	<b>3,959</b>	<b>(24,503)</b>	<b>(20,467)</b>

Operating expenses mainly relate to invoices paid to the OFF for the employees' group insurance.

### VI.1.3 Remunerations for key management personnel

The remuneration of the members of the Board of Directors and the key executives is determined annually. For this reason, no other details are included in this interim report.

As at 30 June 2021, no loans, credits or bank guarantees had been granted to members of the Board of Directors or the Management Committee or to members of their close relatives.

### VI.1.4 Other transactions with related parties

In thousands of euros	30 June 2021					
	The entities exercising joint control or significant influence over the entity	Non-consolidated subsidiaries	Joint ventures	Associated companies	Other related parties	Total
Commitments and guarantees given	65,300	-	61,580	-	-	126,880
Commitments and guarantees received	-	-	-	-	-	-
<b>Total</b>	<b>65,300</b>	<b>-</b>	<b>61,580</b>	<b>-</b>	<b>-</b>	<b>126,880</b>

In thousands of euros	31 December 20					
	The entities exercising joint control or significant influence over the entity	Non-consolidated subsidiaries	Joint ventures	Associated companies	Other related parties	Total
Commitments and guarantees given	40,000	-	61,580	-	-	101,580
Commitments and guarantees received	-	-	-	-	-	-
<b>Total</b>	<b>40,000</b>	<b>-</b>	<b>61,580</b>	<b>-</b>	<b>-</b>	<b>101,580</b>

As of June 30, 2020, Ethias has a lending commitment of 50 million euros to SRIW and of 15.3 million euros to SFPI/FPIM, as well as a commitment of 61.6 million euros to WLP Holding, of which 27.7 million euros is a loan and 33.9 million euros an additional investment. As of December 31, 2020, Ethias' commitments to SRIW amounted to 40 million euros and to WLP Holding to 61.6 million euros.

## VI.2 Commitments

### VI.2.1 Received commitments

In thousands of euros	30 June 2021	31 December 2020
Guarantee commitments	633,489	708,041
Finance commitment	4,497	5,219
Other received commitments	-	-
<b>Total</b>	<b>637,986</b>	<b>713,260</b>

Guarantee commitments mainly include guarantees linked to mortgage loans granted by the Group.

### VI.2.2 Given commitments

In thousands of euros	30 June 2021	31 December 2020
Guarantee commitments with regard to financing	-	-
Other guarantee commitments	11,657	11,985
Commitments on securities	609,803	582,961
Other given commitments	547,652	457,233
<b>Total</b>	<b>1,169,112</b>	<b>1,052,179</b>

Other guarantee commitments mainly include securities pledged as collateral under an accepted reinsurance contract taken over by Ethias SA.

The commitments on securities mainly include repurchase operations for 604.6 million euros at June 30, 2021 (compared to 577.6 million at December 31, 2020) following the implementation of an investment programme financed by repos.

Other commitments given consist mainly of commitments to acquire securities and loans and, to a lesser extent, commitments to acquire real estate.

## VI.3 Contingent liabilities

An amount of 12.8 million euros corresponds to a contingent liability arising from a litigation between Ethias and an institutional client. At the preliminary stage of this litigation, the probability of losing this litigation in whole or in part is estimated to be less than 50%. The different scenarios envisaged and the amount of the contingent liability arising from them could be reassessed in the future in the light of developments in the procedure. The litigation is still ongoing and has not changed in the 1<sup>st</sup> half of 2021.

## VII. OTHER INFORMATION

### VII.1 Statutory auditor's report on the consolidated interim financial statements for the six-month period ended 30 June 2021



**ETHIAS SA/NV**

**Statutory auditor's report to the board of directors on the review of the interim condensed consolidated financial statements for the six-month period ended 30 June 2021**

30 September 2021



Ethias SA/NV  
For the attention of the board of directors  
Rue des Croisiers 24  
4000 LIÈGE

**STATUTORY AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF ETHIAS SA/NV  
ON THE REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS AS AT 30 JUNE 2021 AND FOR THE SIX-MONTH PERIOD ENDED**

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**Introduction**

We have reviewed the accompanying interim condensed consolidated financial statements, consisting of the consolidated balance sheet of Ethias SA/NV and its subsidiaries (collectively referred to as "the Group") as at 30 June 2021 and the related consolidated income statement, the statement of consolidated comprehensive income, the consolidated cash flows statement and the consolidated statement of changes in equity for the six-months period then ended, and explanatory notes, comprising a summary of significant accounting policies and other explanatory notes, collectively, the "interim condensed consolidated financial statements".

These statements show a consolidated balance sheet total of EUR '000' 20.718.431 and a net consolidated profit (attributable to Group's share) for the six-month period then ended of EUR '000' 112.701.

The board of directors is responsible for the preparation and fair presentation of the interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 *Interim financial reporting* ("IAS 34") as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" applicable to review engagements. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 as adopted by the European Union.

Sint-Stevens-Woluwe, 30 September 2021

The statutory auditor  
PwC Bedrijfsrevisoren BV/PwC Reviseurs d'Entreprises SRL  
represented by

Tom Meuleman  
Bedrijfsrevisor/Réviser d'Entreprises