

Ethias boosts its solvency and significantly improves its operational performance

- **Ethias confirms its excellent operational performance thanks to its unique business model in Belgium.**
- **It has significantly increased its Solvency II ratio.**
- **It has embarked on an ambitious plan for technological and organizational transformation at the client's service.**

Ethias SA's **operating result** at end-December 2017 amounted to **EUR 284 million**¹, in accordance with Belgian accounting standards, and increased by nearly 12% compared to the previous year. This result mainly comes from Non-Life business for an amount of EUR 228 million. Life business generated an operating income of EUR 75 million, an increase by more than 65% compared to end-2016.

After taking into account non-recurring items (the cost of the "Switch VII" operation relating to the FIRST A surrenders and the estimated cost of the sale of the remaining FIRST A portfolio for a total of EUR 215 million, non-recurring financial income for EUR 69 million and the cost of other non-recurring items for EUR 33 million), Ethias SA's **net result** amounts to **EUR 105 million**. This net result grows by more than 31 % compared to the previous year.

Overall Non-Life income (EUR 1.334 billion) rises by 1.8 %. **Overall Life income** is stable (EUR 1.150 billion). Hence, **total income** amounts to **EUR 2.484 billion**, i.e. an increase by 1.2 % compared to the previous year.

The company has an excellent **net combined ratio** of **90.8 %**.

This result will enable the Board of Directors of Ethias SA to propose to the General Assembly the payment of a **dividend of EUR 150 million**.

At end-2017, the **SII ratio stands at 197 % before dividend** and is also up sharply compared to the previous year (149 %). This improvement is mainly due to the impact of the FIRST A exit.

After deducting the aforementioned dividend of EUR 150 million and an interim dividend of EUR 118 million to be paid in the second half of 2018, **the SII ratio amounts to 175 %** (146 % at end-2016). These two amounts will provide its shareholder Vitrufin with a sufficient amount of cash to reimburse its senior loan in January 2019.

"This is an excellent operating result for Ethias, demonstrating the commitment of all employees to the company's transformation programme. This will allow Ethias to be even stronger tomorrow and to best meet the client's expectations." Philippe Lallemand, CEO.

¹ On the basis of unaudited accounts

Main events 2017

1. Ethias, the most online insurer

As a direct insurer, Ethias is committed to being the pioneer in the digital field and to offering its clients high-performance digital services. As a result, Ethias is today's **only insurer on the Belgian market offering 10 insurance products that can be fully underwritten** online (entire process from quotation to payment).

2. Trophies and main innovations

We were awarded two DECAVI trophies thanks to the quality of our products and the relevance of our marketing approach:

- Trophy for best family insurance (7th time)
- Trophy for best fire insurance for tenants (2nd time)

Examples of innovation are:

- The Ethias Cyber Protection insurance
- The Guaranteed Income insurance for contractual and/or statutory civil servants
- The new online service "myethias health care"
- The new third-party payment system "AssurKine" for physiotherapy care in the event of an accident at work

3. Technological developments

Ethias has embarked on a major technological transformation programme to support its ambitions.

This includes the deployment of new IT tools to meet the future needs of our clients.

4. Signing of an agreement with the shareholders in May 2017

Ethias' shareholders wished to provide the company with a prospect of stability in the shareholding for a period of 2 years. This commitment enables the company to refocus on its insurance business by further strengthening its business model for the benefit of all its stakeholders and at the service of its clients.

5. Fitch Rating

Rating agency Fitch recognized the improvement in Ethias' capital position and the reduction in its sensitivity to interest rates. Hence, Fitch placed the rating for financial strength of Ethias SA at BBB+, with stable outlook, so as to reflect the closing of the financial recovery programme confirmed by the regulator at end-March 2017.



6. Acquisition of the “Work Accidents Law 1967” portfolio of Ethias DC AAM

Ethias SA has acquired the insurance portfolio “work accidents - public sector” of Ethias Droit Commun AAM (Mutual Insurance Association).

This acquisition has come into effect on December 31, 2017, following the NBB’s agreement to the operation and the transformation of Ethias DC’s legal form into a Cooperative Company with Limited Liability. The new cooperative company is called “EthiasCo” whose primary activity is the holding of participating interests, the main one being Vitrufin SA.

Our mission

Making insurance easier so as to bring you security, peace of mind and freedom of initiative, with innovative services and products. As partner of your daily life, we put our expertise and our energy at your service.