

## **Results of the closing offer for FIRST Accounts**

Given the highly tense situation that persists on the financial markets and the entry into force of the European Solvency II regulation on 1 January 2016, Ethias offered - from 7 November to 9 December 2016 - the holders of a FIRST Account concluded before September 2003 ("first generation" contracts) an exit premium of 25 % upon termination of their contract, and this in order to strengthen its Solvency II ratio.

This operation was a real success. As of 23 December 2016, the closing date of the operation, Ethias has already paid surrenders amounting to EUR 762 million, to which should be added the surrenders to be paid over the course of 23 December (estimated at EUR 20 million) so as to take account of the last withdrawal orders received from the clients concerned.

With reserves amounting to EUR 1.4 billion in BGAAP before the operation, the offer has already allowed to reduce their level by 55 % at a cost of EUR 191 million. In total, this operation has enabled the closing of around 12,500 FIRST Accounts of the 25,000 that existed at the beginning of November. Over the last two years, more than 80 % of the reserves relating to the contracts concerned have been withdrawn from the Ethias balance sheet.

The success of this operation significantly and structurally improves the Solvency II ratio of Ethias (impact estimated at +22 %\*). It also allows to reduce the company's sensitivity to changes in interest rates.

\* The Solvency II ratio at 30 September 2016, prior to the operation, was 115.69 % (with application of the standard formula and without taking account of transitional measures on technical provisions).

*Ethias is a Life and Non-life insurer committed to engage in a mutually profitable relationship with public institutions, civil servants, corporate and related retail client segments.*

*Ethias provides premium value-for-money products and services generating sustainable profits while leveraging its core values of humanism, ethics, commitment and proximity.*

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