# Interim results 30.09.2018

20.12.2018

# AGENDA

- **Key Q3 2018 highlights**
- Main events in 2018
- Financial performance BGAAP [1]
- Financial performance IFRS [2]
- Solvency II of Ethias SA[3]
- Investment portfolio [2]
- Rating
- Appendix

*[1] Figures are based on non-audited statutory accounts*
*[2] Figures are based on non-audited IFRS consolidated financial statements of the Ethias group (defined as Ethias SA and its subsidiaries)*
*[3] Figures are non-audited and are based on Ethias SA solo*

# KEY Q3 2018 HIGHLIGHTS

## Key events

- **Closing** relative to the **sale** of the remaining **First A portfolio** on the **28th of September 2018**
- Payment to Vitrufin of an **interim dividend of €118M** in August 2018
- **Transfer of 31,49% of Vitrufin shares from FIWAPAC** (including the bonds held in Vitrufin) **to Wespavia**

## Financial results

| | BGAAP – Ethias SA | IFRS – Ethias Group |
|---|---|---|
| **Operating result before tax** | **€151M** o/w €119M from Non-Life | **€151M** o/w €117M from Non-Life |
| **Net income** | **€181M** taking into account :<br>▪ *Financial non-recurring items : +€28M*<br>▪ *Other non-recurring items : +€17M*<br>▪ *Tax : -€15M* | **€159M** taking into account:<br>▪ *Financial non-recurring items : +€16M*<br>▪ *Other non-recurring items : +€7M*<br>▪ *Tax: -€15M* |

## Business units (IFRS)

**Non-Life**

- **GWP €1,162M**
- **Operational result €117M**
- **COR 95.3%**

**Life**

- **GWP €918M**
- **Operational result €34M**

## Other key indicators

**Debt ratio (IFRS)**

- **20.9%** vs 20.0% end 2017

**Solvency II**

- **181%** vs 183% end 2017

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# MAIN EVENTS IN 2018

| | |
|---|---|
| 20/02/2018 | **The NBB takes note of the recovery plan** filed by Ethias SA |
| 01/04/2018 | Structural partnership with **B-Hive**, a European innovation platform (FinTech ecosystem) for financial services, created in early 2017 with the support of the Minister of Finance |
| 16/04/2018 | Signing of the agreements with the **purchaser of the remaining "FIRST A" portfolio**, Laguna Life.<br>The cost of the sale is already taken into consideration at end-2017 in the BGAAP and IFRS accounts (EUR 106 million) as well as in the SII ratio |
| 16/05/2018 | Approval by the General Assembly of Ethias SA to pay **a dividend of EUR 150 million** regarding the financial year 2017 to Vitrufin |
| 12/06/2018 | Rating for Ethias SA's financial strength placed at **BBB+ with positive outlook** to reflect Fitch's view that "*the likely full repayment of Vitrufin debt and the full disposal of the insurer's capital-intensive individual life portfolio will lead to a strengthening in Ethias's capitalisation, profitability and financial flexibility*" |
| 27/06/2018 | Validation by Ethias SA's Board of Directors of the company's vision and **priority strategic axes** |
| 27/08/2018 | Decision taken by Ethias SA's Board of Directors to pay **an interim dividend of 118 million EUR** allowing Vitrufin to have the necessary cash for the reimbursement of its senior loan of 278 million EUR in January 2019. Ethias continues to demonstrate a **strong solvency level** : Solvency II ratio at 175% |
| 28/08/2018 | Authorization given by the NBB to Ethias SA for the transfer of all rights and obligations resulting from the **"FIRST A" portfolio** to Laguna Life. The **closing**, viz. the effective transfer of the portfolio, took place on **28 September 2018**, the date on which the "FIRST A" contracts lose the benefit of protection up to a maximum of EUR 100,000 granted by the Belgian Guarantee Fund. A surrender transaction was launched by the new acquirer, valid from the beginning of October to 7 December 2018 (similar conditions to the "Switch VII" transaction) |
| 27/09/2018 | **Second affiliate company in the Ethias Pension Fund OFP** |
| 28/09/2018 | Following the restructuring of the SRIW group, **transfer of 31,49% of Vitrufin shares from FIWAPAC** (including the bonds held in Vitrufin) **to Wespavia** |

ethias

# AGENDA

- Key Q3 2018 highlights
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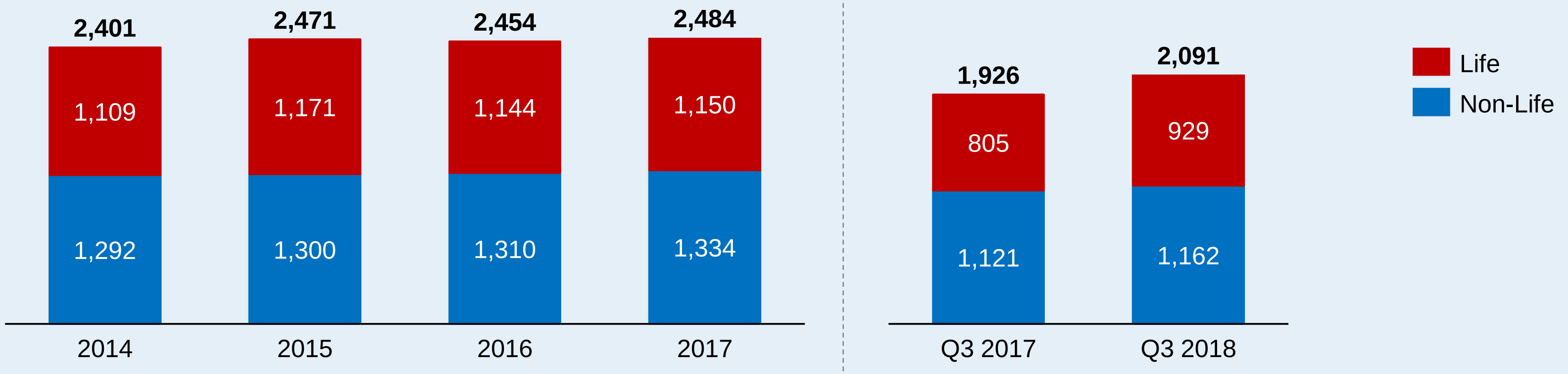
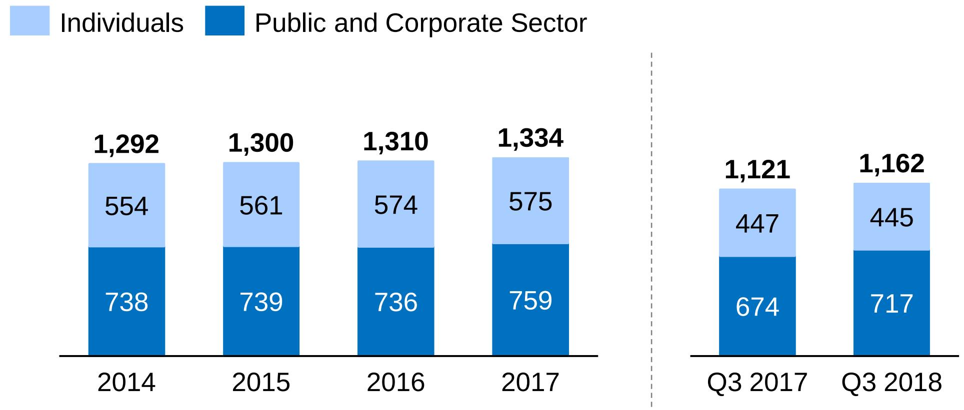
# NON-LIFE/LIFE INFLOWS

## Evolution of GWP (€M)

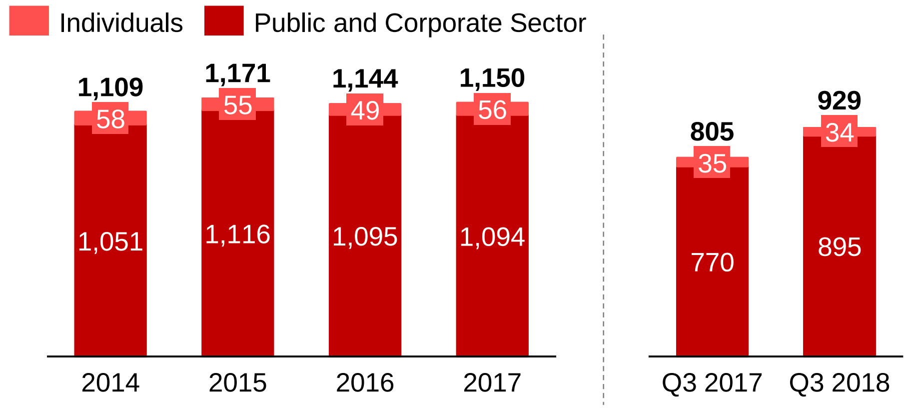



## Evolution of Non-Life GWP (€M)




- Increase by 3.7% in Non-Life premium income between September 2017 and September 2018, coming from Public & Corporate (namely following the acquisition of the portfolio “Worker’s Compensation - Public Sector” that was held by Ethias Droit Commun until end-December 2017)

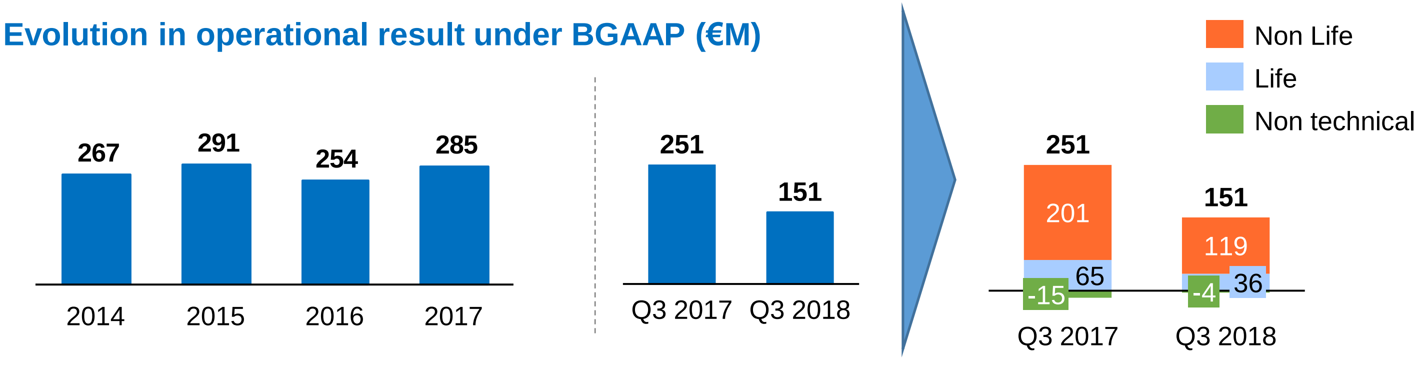
## Evolution of Life GWP (€M)



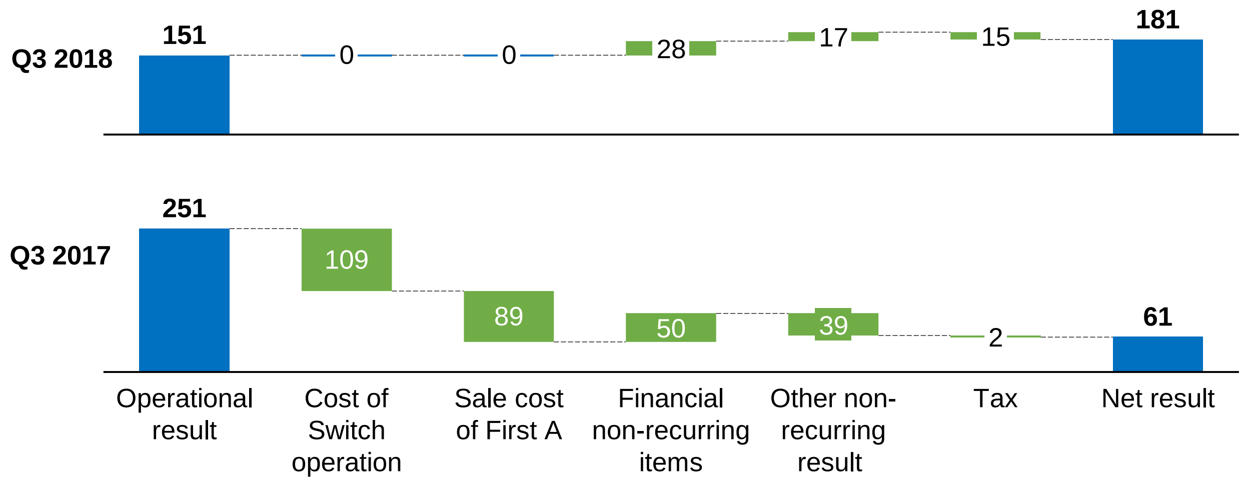

- Pressure due to the low interest rate environment. The 15.4% growth in premium income between September 2017 and September 2018 comes from the Public Sector (first pillar), boosted by a timing effect in premium collection and higher single premiums, partially compensated by a decrease in second pillar 2 (transfer of Ethias’ Group Insurance into the Ethias Pension Fund in H2 2017). Still no new business in Life Retail.

# EVOLUTION IN OPERATIONAL RESULT

## Evolution in operational result under BGAAP (€M)




## From the operational result to net result under BGAAP (€M)




- The **operational result as per end of September 2018 amounts to €151M** and results from the Non-Life activity for €119M and from the Life activity for €36M. The decrease in this result compared to the one as per end of September 2017 is explained by the following elements, reminding that the result of September 2017 was exceptionally at a very good level :
  - A deterioration in the claims charge of Car and Worker's Compensation
  - The impact of adverse weather events (non significant in 2017)
  - Lower reserve release on previous years

  An action plan has been put in place to improve the Non-Life operational result.
  Life operational result remains under pressure due to very low interest rate environment.
  Operating costs are under control despite large IT investments (digitalization and new Non-Life platform still ongoing).
  Investment income remains stable thanks to former derisking and active management.

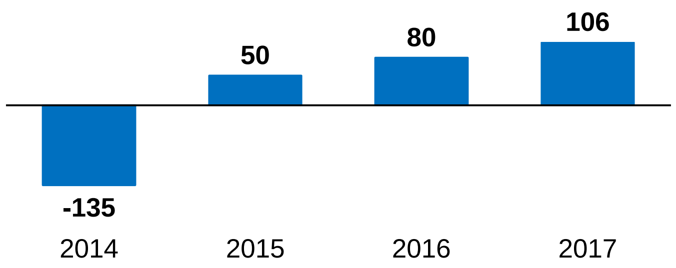
- **Exceptional items** amount +€45M as per end of September 2018, coming mainly from non-recurring financial income for €28M and from downward adjustment of the final sale price of portfolio First A to Laguna Life (€10M). These exceptional items are €154M above Q3 2017 (-€109M o/w -€198M resulted from the First A operations : Switch operations and sale of the remaining First A portfolio)

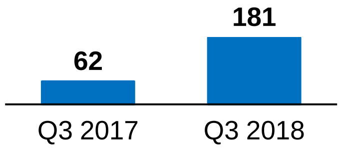
- The **net result as per end of September 2018 stands at €181M**, the operational result being impacted by +€45M exceptional items and by the tax charge of €15M (only €2M of tax charge as per end of September 2017)

- In 2018, no allocation to the flashing-light reserve has been recorded in the BGAAP accounts following successful completion of the criteria (like in 2017)

# EVOLUTION IN NET RESULT

## Evolution in net result under BGAAP (€M)



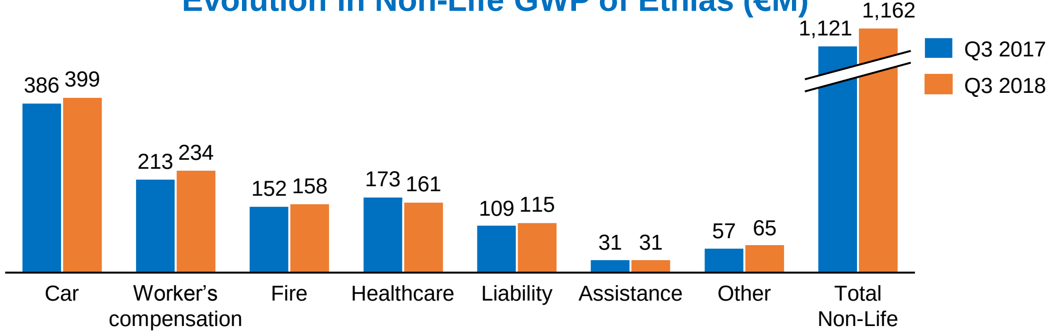

The increase in net result is mainly explained by the fact that there are only positive exceptional items in 2018 compared to large negative exceptional items booked as per end of September 2017 (the cost of Switch operation and the sale cost of the remaining First A portfolio - see page 8)

## Evolution in net result under BGAAP (€M) - Breakdown

| | 2014 | 2015 | 2016 | 2017 | Q3 2017 | Q3 2018 |
|---|---|---|---|---|---|---|
| Non-Life technical result | 263 | 298 | 255 | 244 | 196 | 124 |
| *o/w Technical Items* | *330* | *366* | *316* | *363* | *265* | *230* |
| *o/w Financial revenues* | *133* | *133* | *153* | *125* | *91* | *80* |
| *o/w Expenses* | *(200)* | *(201)* | *(214)* | *(244)* | *(160)* | *(186)* |
| Life technical result | (28) | (300) | (320) | 24 | (8) | 58 |
| *o/w Technical Items* | *(594)* | *(766)* | *(693)* | *(373)* | *(324)* | *(216)* |
| *o/w Financial revenues* | *600* | *491* | *406* | *435* | *342* | *293* |
| *o/w Expenses* | *(34)* | *(25)* | *(33)* | *(38)* | *(26)* | *(19)* |
| Non-technical result | (366) | 56 | 148 | (158) | (124) | 14 |
| Tax & Transfers and withdrawals from untaxed reserves | (4) | (4) | (3) | (4) | (2) | (15) |
| Net result | (135) | 50 | 80 | 106 | 62 | 181 |

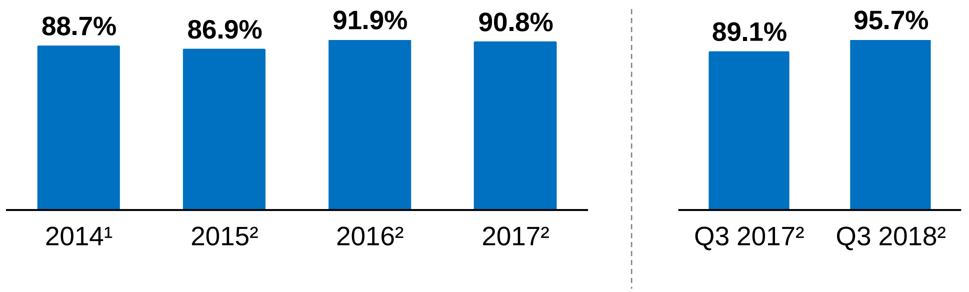
# FOCUS ON NON-LIFE BUSINESS

## Evolution in Non-Life GWP of Ethias (€M)



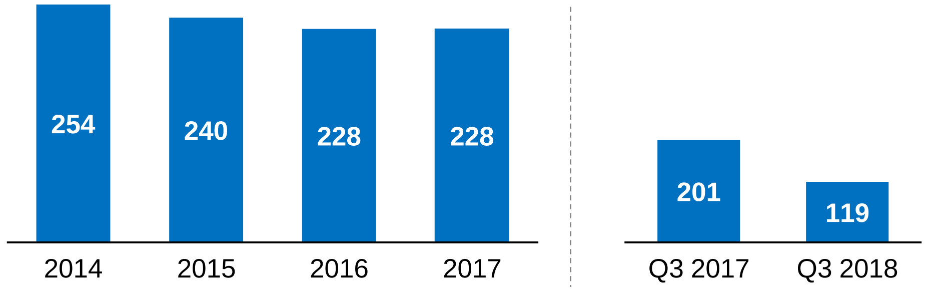

- Premium income increase in Worker's Compensation following the acquisition of the "Worker's Compensation Law 1967" portfolio (public sector) from Ethias DC (previously reinsured at 95% by Ethias SA) and increase in the number of new businesses in "Worker's Compensation Law 1971" (corporate sector)
- Premium income decrease in Healthcare due to portfolio pruning and different invoicing timing.
- Premium income increase in Car following an increase in the number of contracts

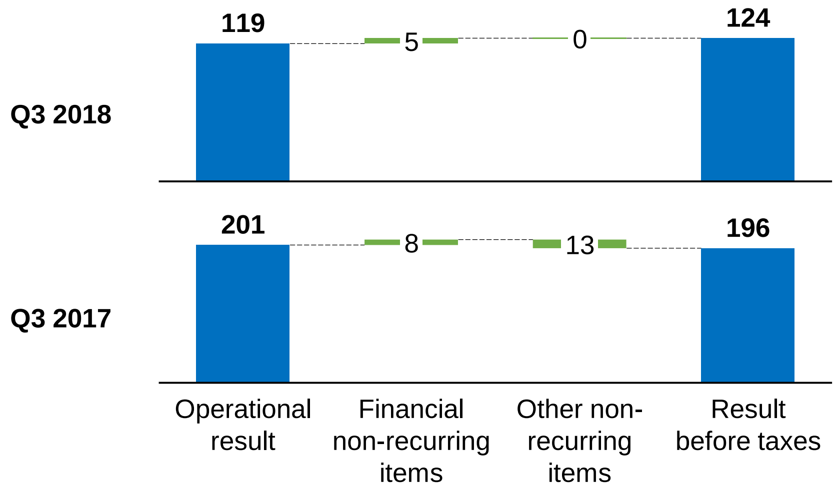
## Net combined ratio of Ethias (BGAAP)




- Net CoR of September 2018 impacted negatively by the claims charge increase in Car and Worker's Compensation as well as by natural disaster

## Non-Life operational result BGAAP (€M)



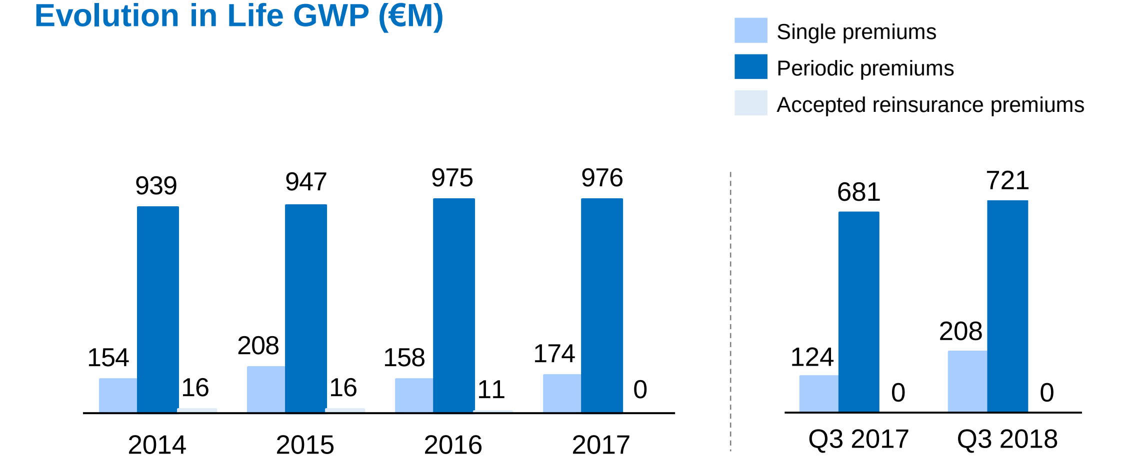

Decrease in operational result compared to Q3 2017 (exceptionally at a very good level) due to :

- Higher claims charge in Car and Worker's Compensation
- Adverse weather events (was non-significant in 2017)
- Lower reserve releases on previous years

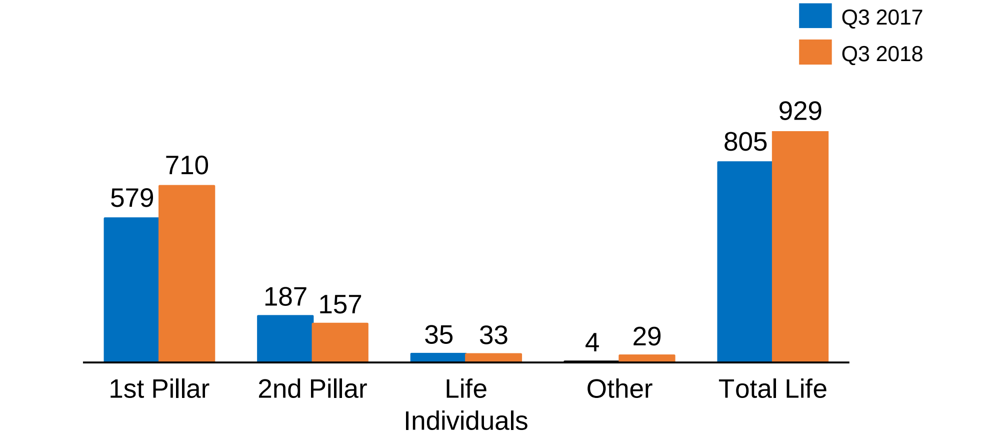
[1] Based on internal calculations ; [2] Based on Assuralia formula

# FOCUS ON LIFE BUSINESS

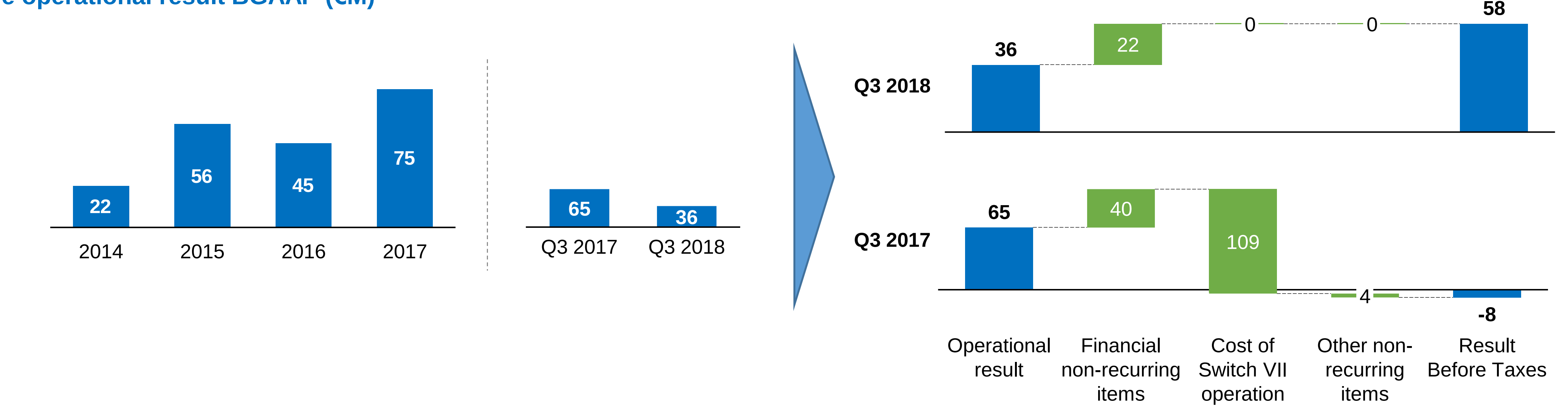
## Evolution in Life GWP (€M)




## Evolution in Life GWP (€M)

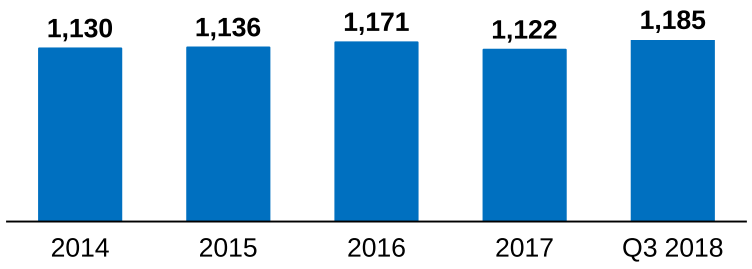



## Life operational result BGAAP (€M)



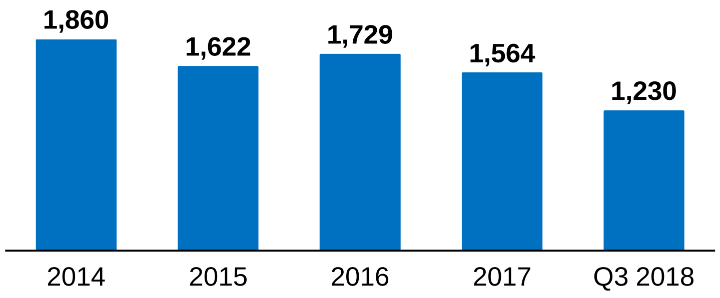
# OTHER KEY ELEMENTS

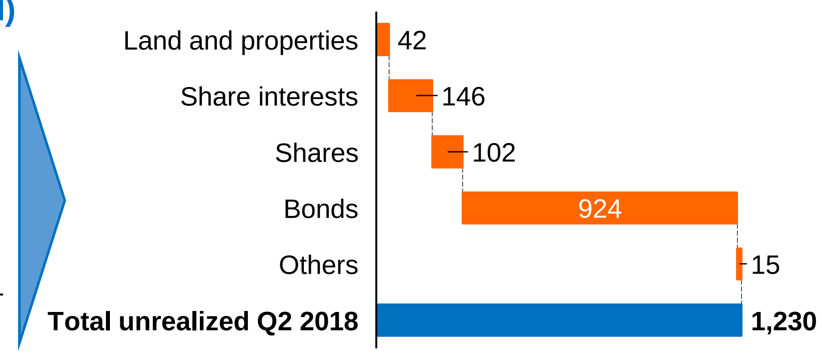
## Evolution in equity (€M)




- Increase in own funds by €63M compared to end-December 2017, the net result of €181M being partially offset by the distribution of an interim dividend of €118,4M end of August 2018

## Evolution in unrealized gains on assets (€M)




- Decrease in unrealized gains compared to end-December 2017 mainly due to the increase in credit spreads
- Decrease in unrealized gains more than compensated by a decrease in liabilities in market value in SII (MVBS)

# AGENDA



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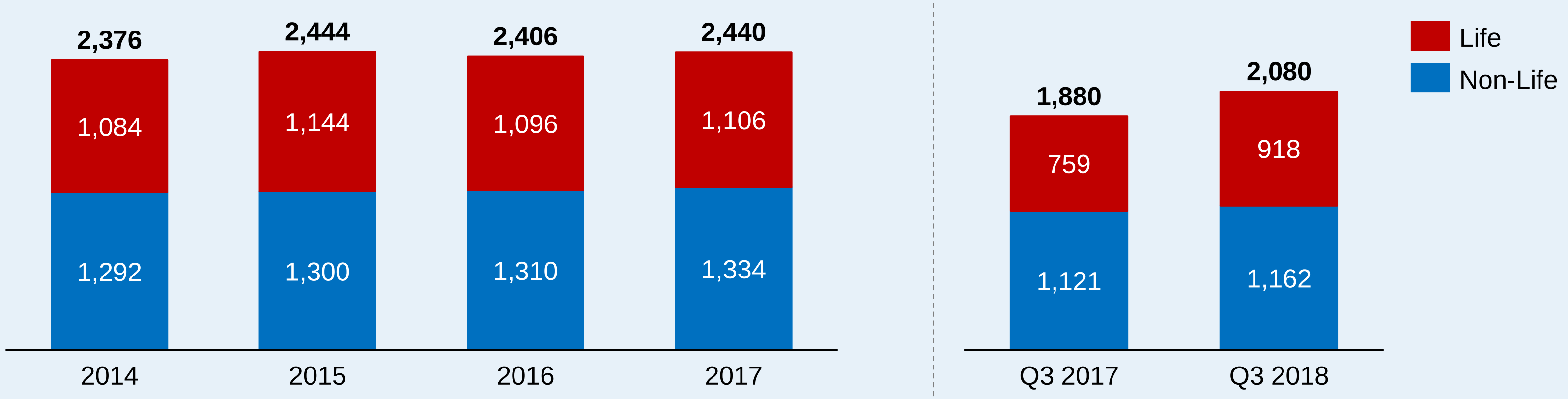
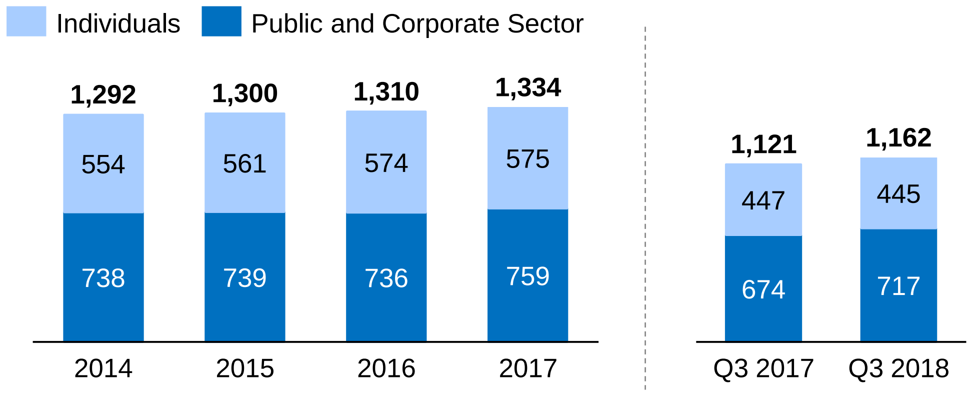
# NON-LIFE/LIFE INFLOWS

## Evolution in GWP (€M)

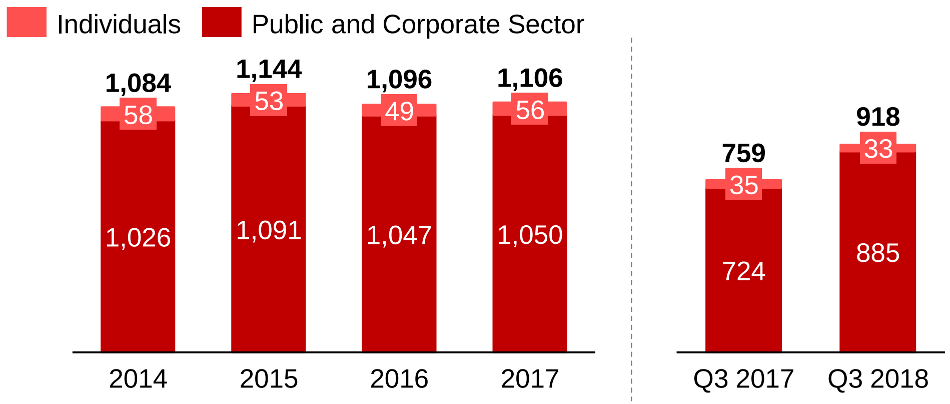



## Evolution in Non-Life GWP (€M)




- Increase by 3.7% in Non-Life premium income between September 2017 and September 2018, coming from Public & Corporate (namely following the acquisition of the portfolio “Worker’s Compensation - Public Sector” that was held by Ethias Droit Commun until end-December 2017)

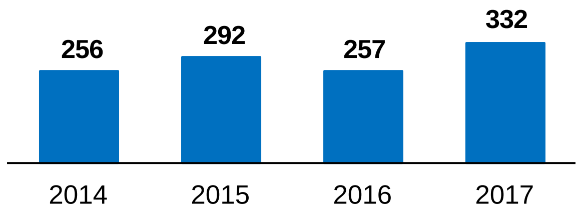
## Evolution in Life GWP (€M)

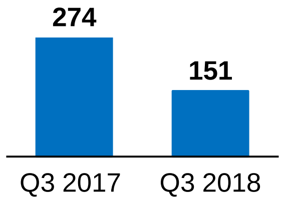


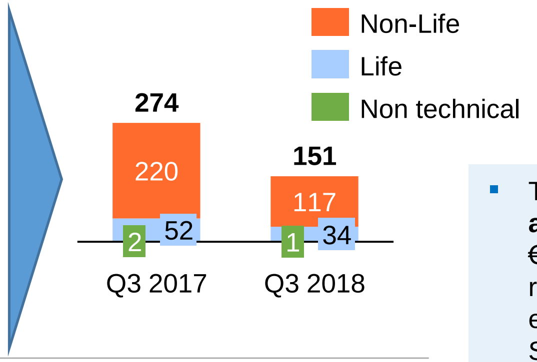

- Pressure due to the low interest rate environment. The 20,9% growth in premium income between September 2017 and September 2018 comes from the Public Sector (first pillar), boosted by a timing effect in premium collection and higher single premiums. Still no new business in Life Retail

# EVOLUTION IN OPERATIONAL RESULT (*)

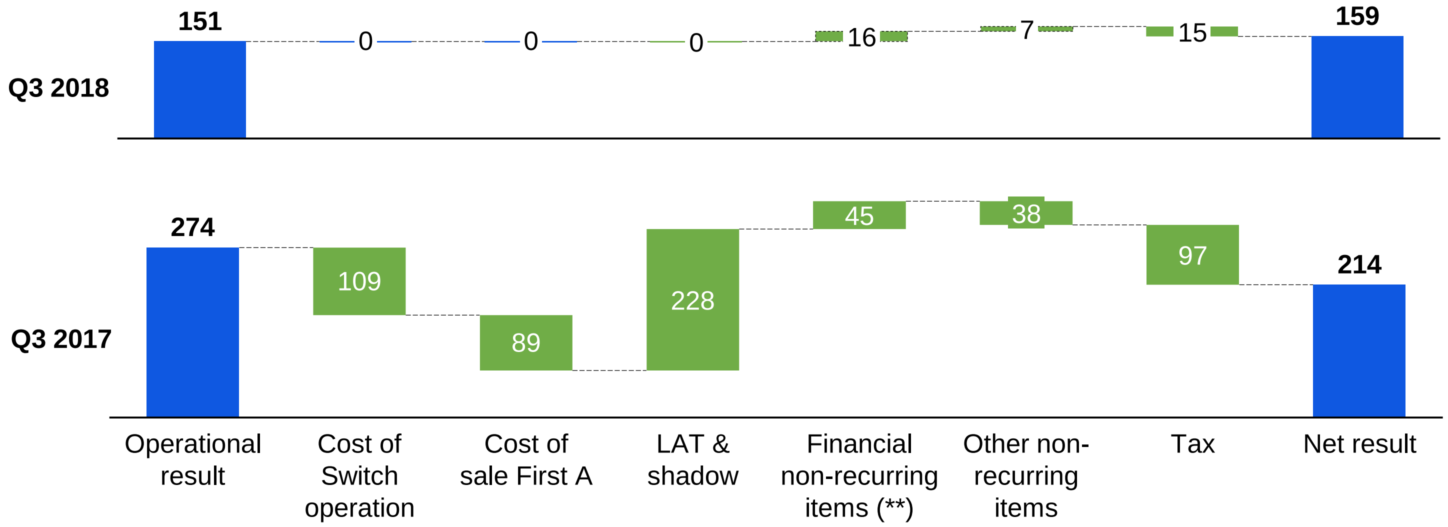
## Evolution in operational result under IFRS (€M)




## From the operational result to group result under IFRS (€M)




(*) Part of the group

(**) In 2018, financial non recurring items include fair value through P&L for the part not compensated by shadow accounting

- The **consolidated operational result at end-September 2018 amounts to €151M** and results from the Non-Life activity for €117M and from the Life activity for €34M. The decrease in this result compared to the one as per end of September 2017 is explained by the following elements, reminding that the result of September 2017 was exceptionally at a very good level :
  - A deterioration in the claims charge of Car and Worker's Compensation
  - The impact of adverse weather events (non significant in 2017)
  - Lower reserve release on previous years

  An action plan has been put in place to improve the Non-Life operational result

  Life operational result remains under pressure due to very low interest rate environment.

  Operating costs are under control despite large IT investments (digitalization and new Non-Life platform still ongoing).

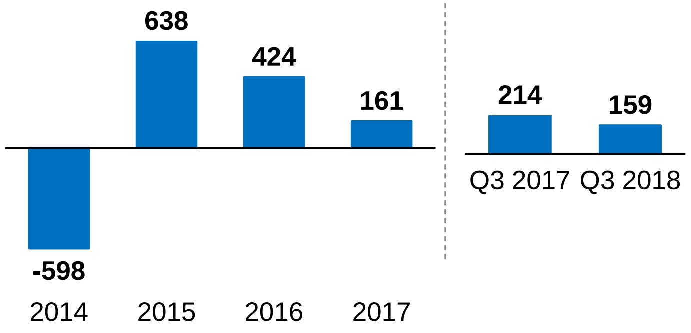
  Investment income remains stable thanks to former derisking and active management.

- **Exceptional items** amounts €23M, coming from positive non-recurring financial income and from other non-recurring items (namely retirement plan 60+ charge for -€6M totally compensated by the downward adjustment of the final sale price of portfolio First A to Laguna Life for €10M). The exceptional items are €14M below H1 2017 (€37M)

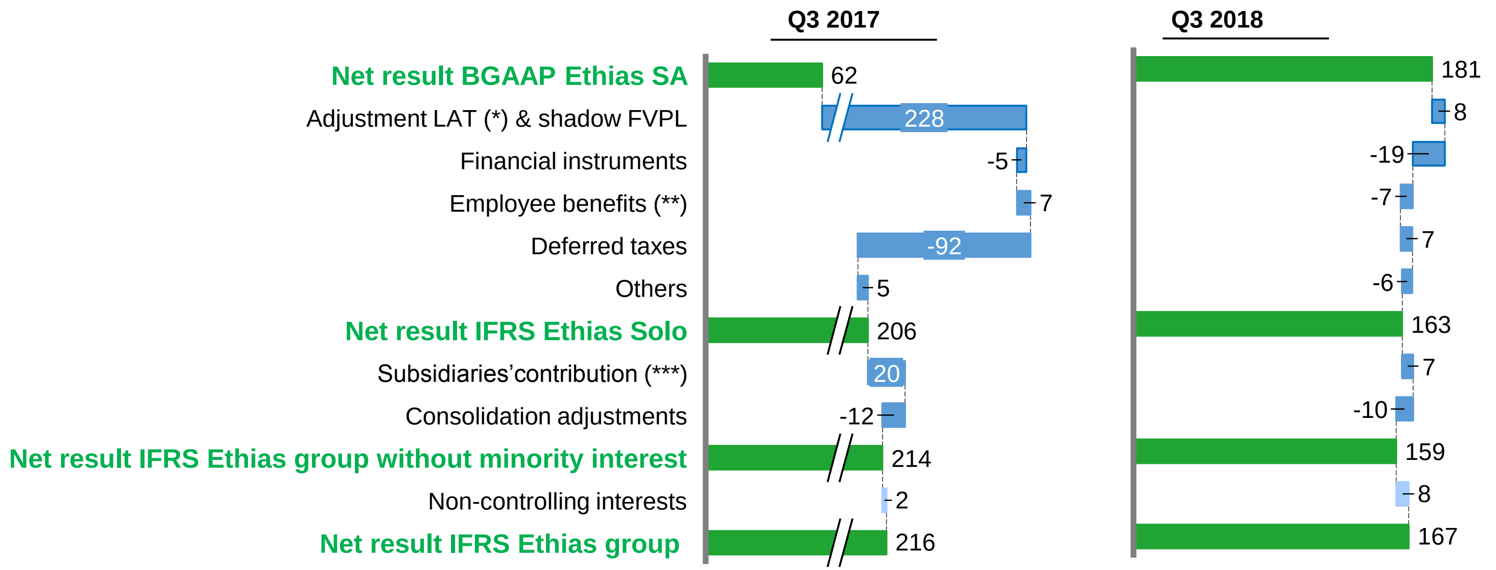
- The **net result as per end of September 2018 stands at €159M**, the €151M operational result being impacted by €23M of exceptional items and by the tax charge of €15M

# EVOLUTION OF NET RESULT UNDER IFRS (€M)

## Evolution in group result under IFRS (€M)




## Reconciliation of net result between BGAAP & IFRS (€M)



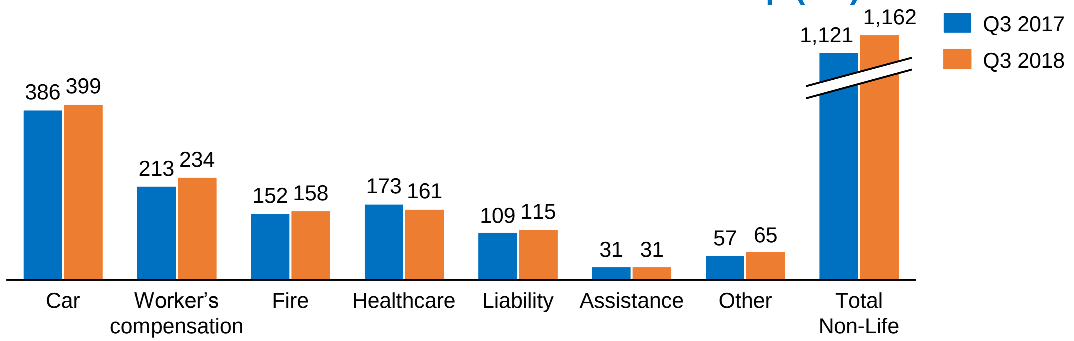

## Breakdown of net result under IFRS, including minority interests (€M)

| | 2014 | 2015 | 2016 | 2017 | Q3 2017 | Q3 2018 |
|---|---|---|---|---|---|---|
| Technical result | (439) | 630 | 340 | 400 | 422 | 168 |
| *o/w Non-Life* | *242* | *306* | *278* | *299* | *231* | *114* |
| *o/w Life* | *(681)* | *324* | *62* | *101* | *191* | *54* |
| Non-technical result | (326) | 95 | 182 | (155) | (112) | 6 |
| Tax | 167 | (87) | (98) | (84) | (97) | (15) |
| Net result | (598) | 638 | 424 | 161 | 214 | 159 |
| For reference : | | | | | | |
| Net result BGAAP | (135) | 50 | 80 | 106 | 62 | 181 |

(*) impact of the refined LAT methodology as from EoY 2017 ; (**) Namely includes the provision for the 60+ retirement plan (different valuation rules between BGAAP & IFRS); (***) Mainly NRB, Ethias Sustainable Investment Fund and Real estate subsidiaries

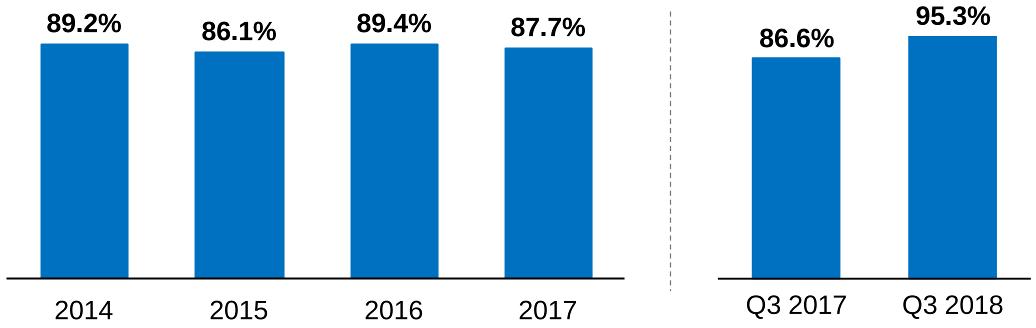
# FOCUS ON NON-LIFE BUSINESS

## Evolution in Non-Life GWP of Ethias Group (€M)



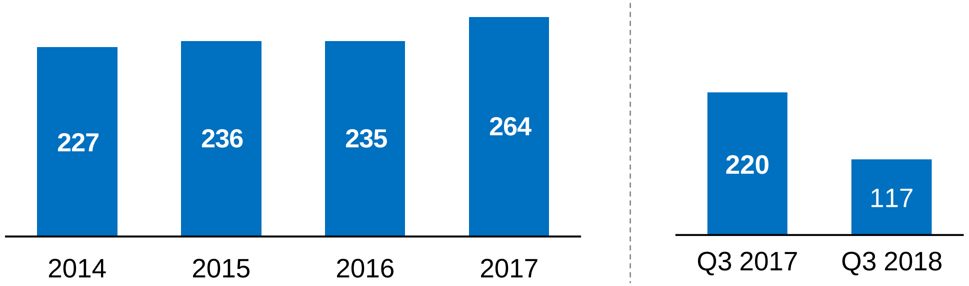

- Premium income increase in Worker's Compensation following the acquisition of the "Worker's Compensation Law 1967" portfolio (public sector) from Ethias DC (previously reinsured at 95% by Ethias SA) and increase in the number of new businesses in "Worker's Compensation Law 1971" (corporate sector)
- Premium income decrease in Healthcare due to portfolio pruning and different invoicing timing.
- Premium income increase in Car following an increase in the number of contracts

## Net combined ratio (IFRS)



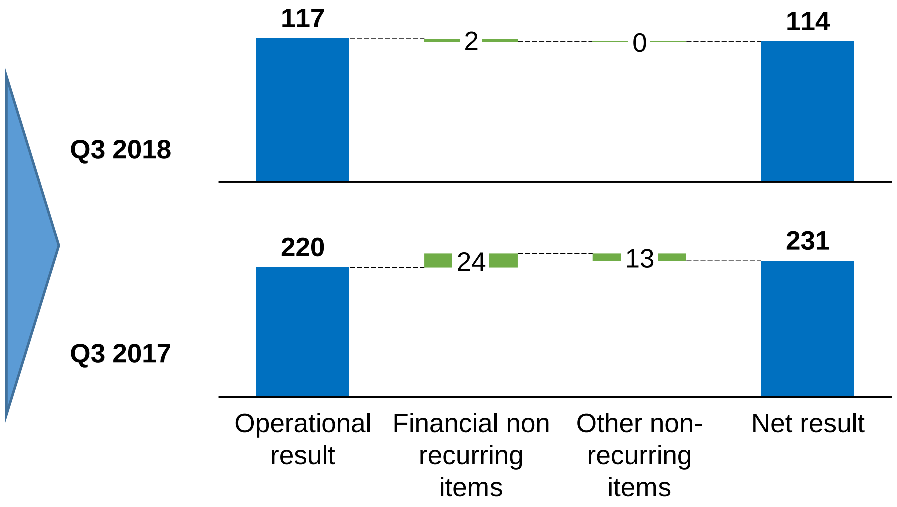

- Net CoR of September 2018 impacted negatively by the claims charge increase in Car and Worker's Compensation as well as by natural disaster

## Non-Life operational result IFRS (€M)



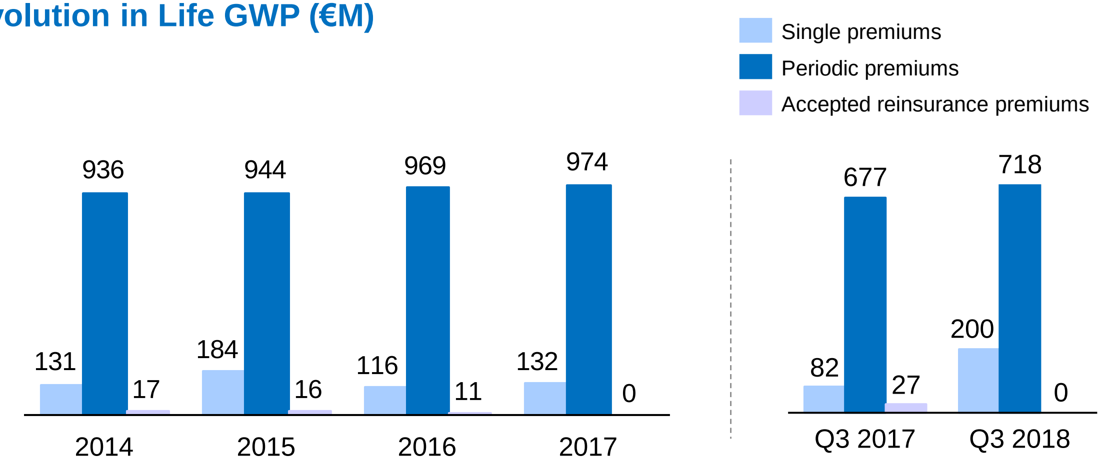

Decrease in operational result compared to Q3 2017 (exceptionally at a very good level) due to :

- Higher claims charge in Car and Worker's Compensation
- Adverse weather events (was non-significant in 2017)
- Lower reserve releases on previous years

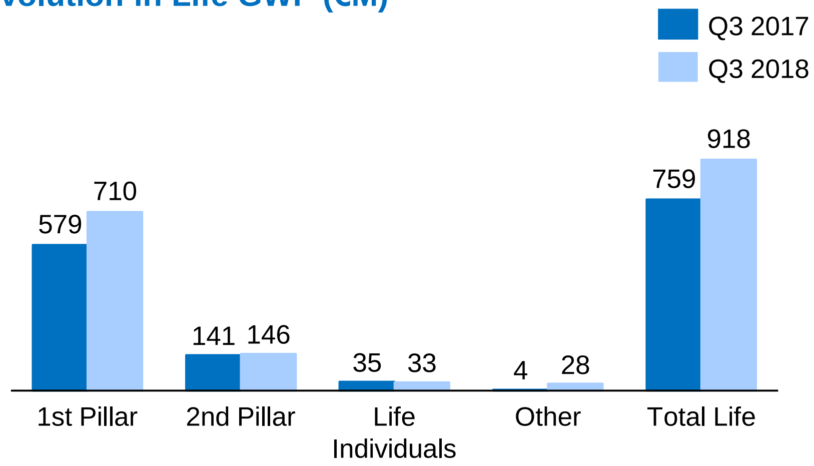


# FOCUS ON LIFE BUSINESS

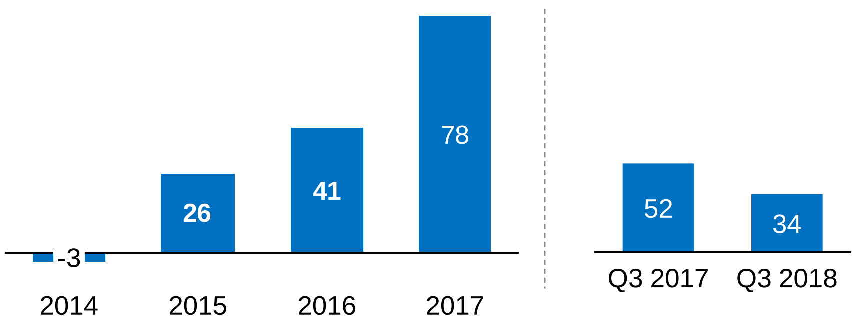
## Evolution in Life GWP (€M)

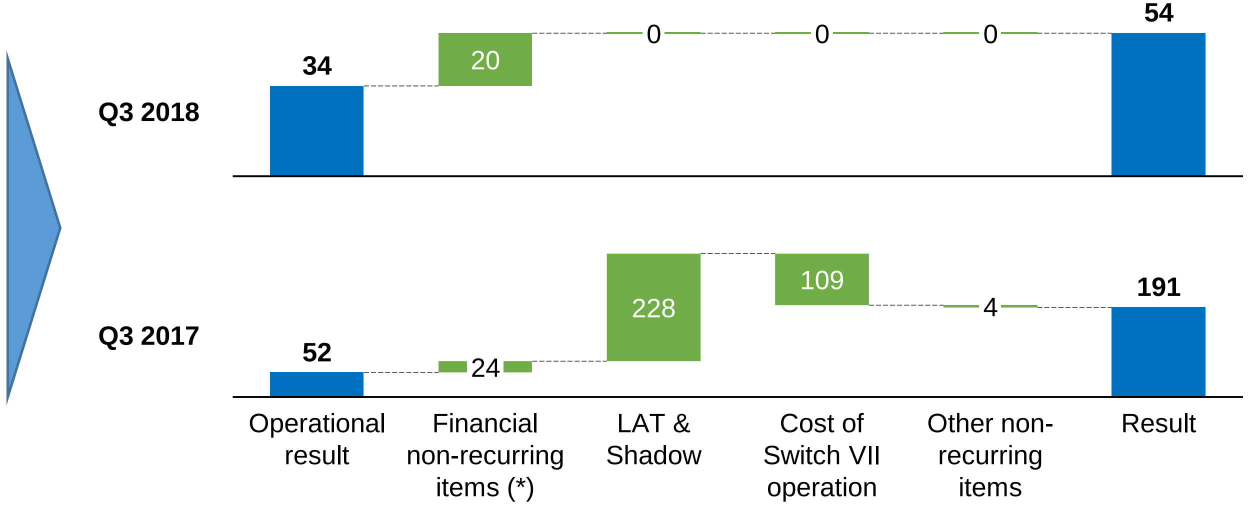



## Evolution in Life GWP (€M)




## Life operational result IFRS (€M)

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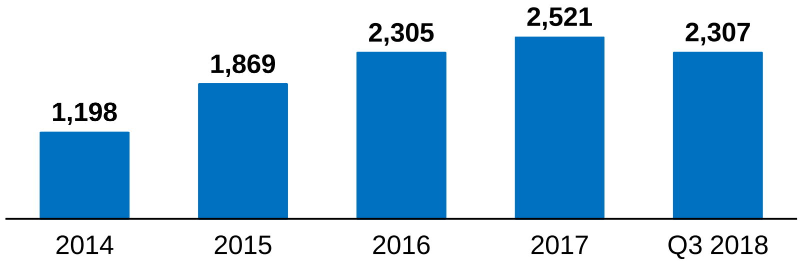
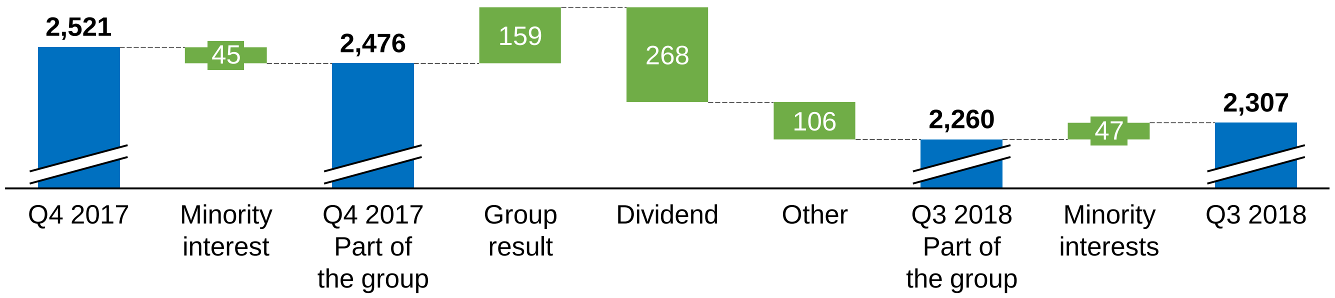
# OTHER KEY ELEMENTS



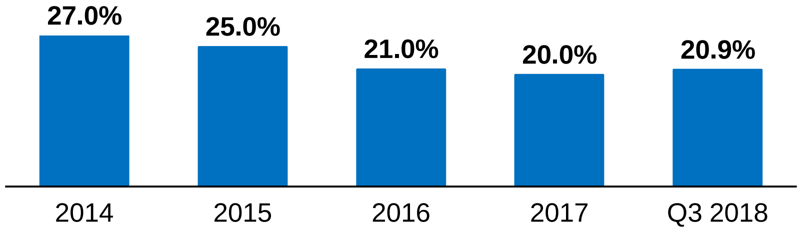

## Evolution in equity (€M)




The decrease in equity (part of the group) between end-December 2017 and end-September 2018 is mainly explained by the combination of the following elements:

- Payment of the €268M dividend
- Net result of the period of €159M
- Other movements of -€106M : mainly a decrease in financial assets of €310M (due to a decrease in market values following credit spread widening and higher rates) partly compensated by shadow accounting of +€183M

## Evolution in debt ratio




- The ratio at end-September 2018 increases as a result of the decrease in equity
- Ratio 2014-2017 corresponding to the Financial Leverage Ratio published by Fitch and computed for Q3 2018 on the basis of Fitch's methodology

## Duration gap

| | 31/12/2017 | | | 30/09/2018 | | |
|---|---|---|---|---|---|---|
| | Assets Duration | Liab. Duration | Duration gap | Assets Duration | Liab. Duration | Duration gap |
| Total Life | 7.98 | 12.98 | (0.92) | 6.94 | 8.59 | 0.02 |
| Total Non-Life | 5.13 | 8.21 | (1.04) | 5.09 | 7.76 | (1.14) |
| TOTAL | | | (0.96) | | | (0.34) |

- Duration gap evolution follows the trend of rates sensitivities one's

# AGENDA

- Key Q3 2018 highlights
- Main events in 2018
- Financial performance BGAAP [1]
- Financial performance IFRS [2]
- **Solvency II of Ethias SA[3]**
- Investment portfolio [2]
- Rating
- Appendix

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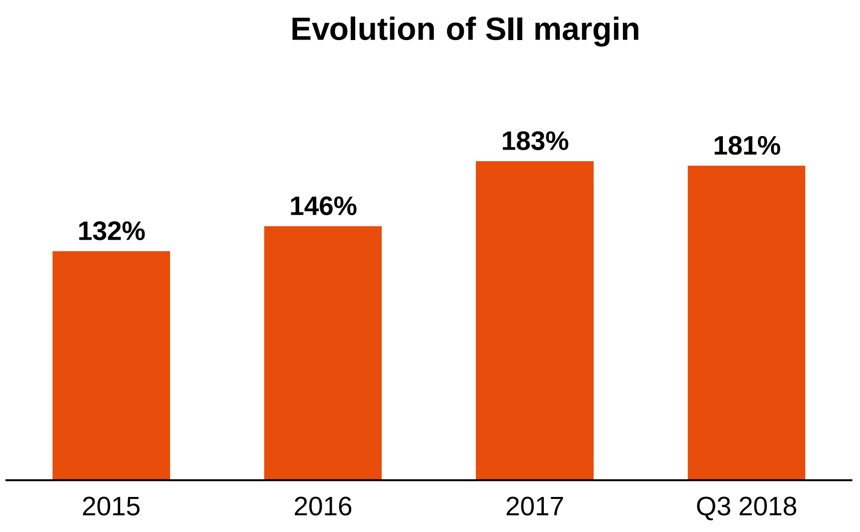
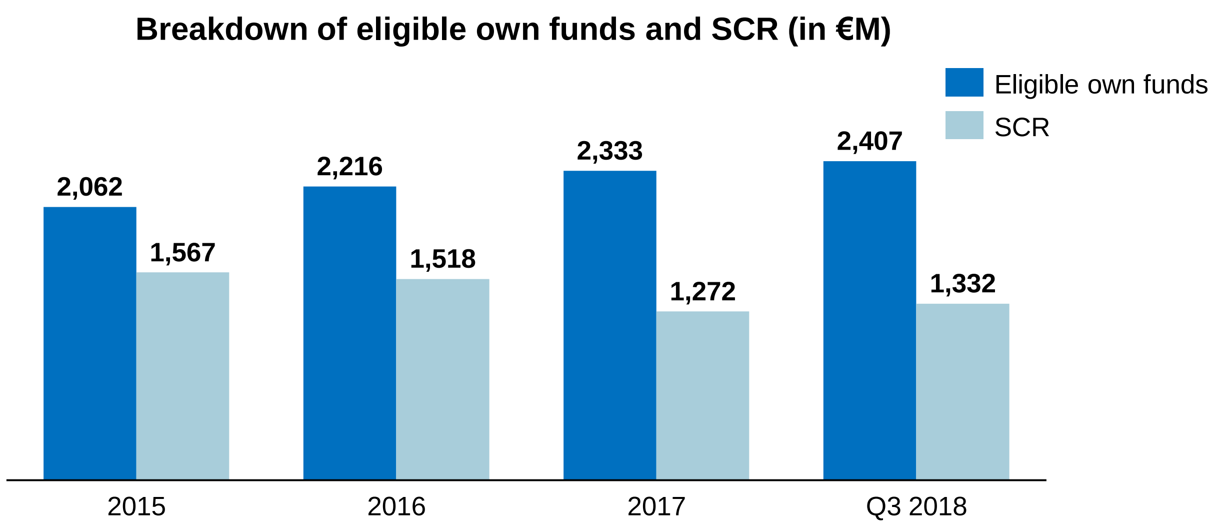
# SOLVENCY II – WITH USE OF THE STANDARD FORMULA – AFTER DIVIDENDS (1/2)

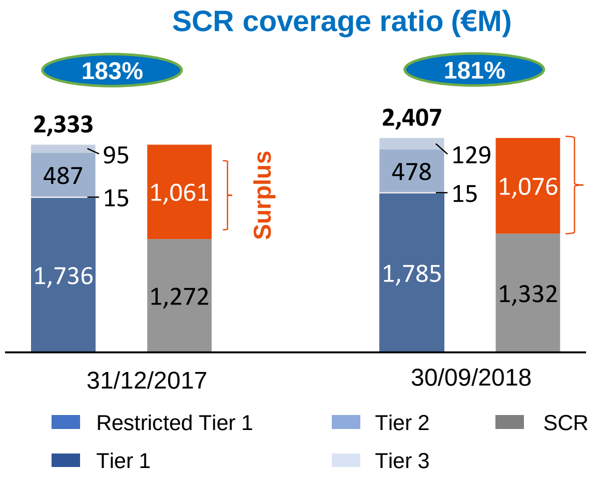


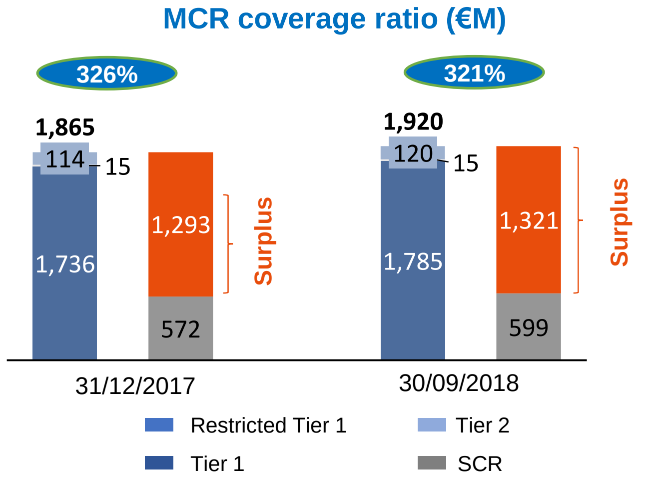




- The SII margin at end-December 2017 and at end-September 2018 is impacted by the €268M of dividends allowing Vitrufin to have the necessary amount of cash to reimburse its senior loan in January 2019 (€150M have been paid to Vitrufin after the ordinary general assembly of Ethias SA in May 2018 and the balance of €118M has been paid as an interim dividend as per end of August 2018)
- The SII margin at end-September 2018 slightly decreases compared to end of December 2017 but increases by 5.5% compared to end of June 2018 mainly thanks to a release of a Tax provision, an increase in interest rates and a recalculation of the Non-Life reinsurance receivables.
- The SII margin after dividends remains well above the risk appetite tolerance limit (160%)

# SOLVENCY II – WITH USE OF THE STANDARD FORMULA – AFTER DIVIDENDS (2/2)

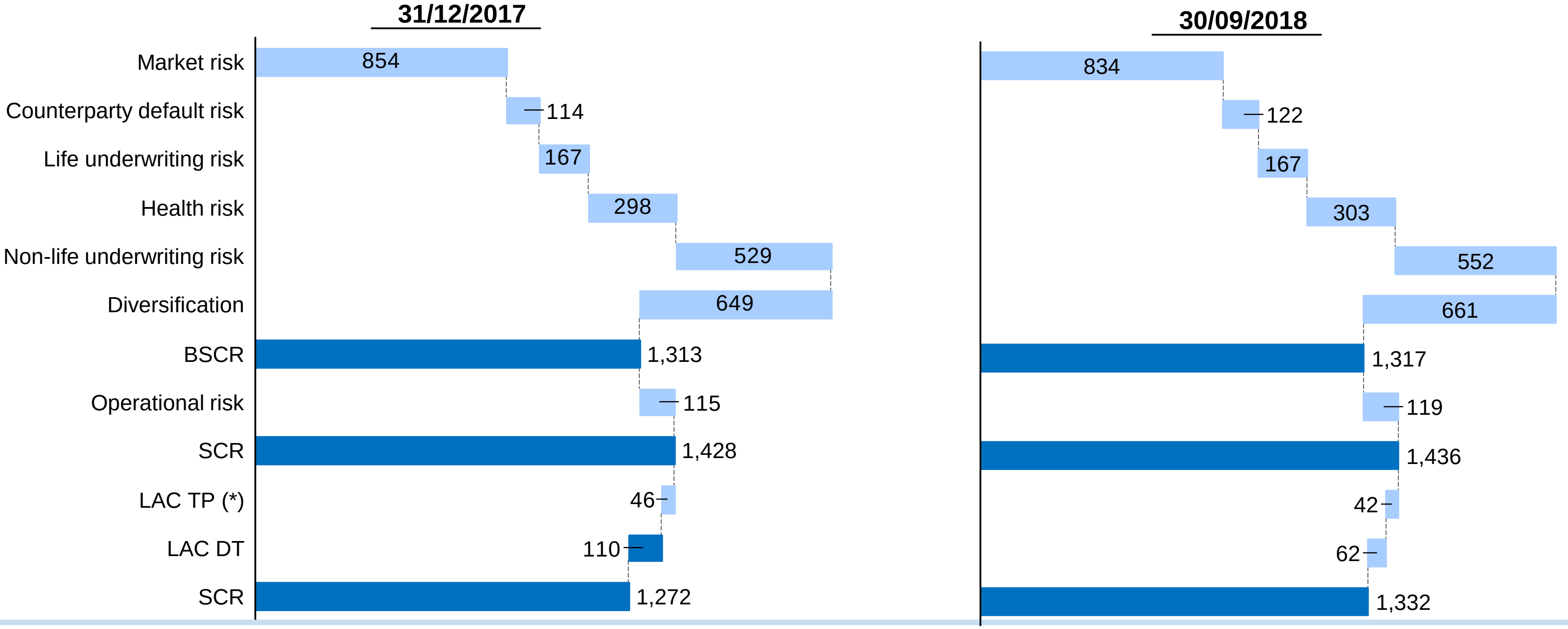
## Decomposition of eligible own funds (after dividend)




- **Very high quality capital structure:** unrestricted Tier 1 SCR coverage > 100% as of Q3 2018
- Tier 1 restricted corresponds to the portion of the perpetual loan issued in 2005 not having participated in the exchange operation of November 2015
- Tier 2 comprises, on the one hand, the subordinated loan of €75M issued in 2008 and maturing in July 2023 and, on the other hand, the subordinated loan of € 402.7M in nominal value issued in July and November 2015 and maturing in January 2026
- Restricted Tier 1 and a part of Tier 2 capital (€75M in book value) are grandfathered under Solvency II
- Tier 3 comprises deferred tax assets
- **All available own funds are eligible for SCR coverage**

## Decomposition of SCR (after dividend)




- Decrease in market risk mainly related to the decrease in SCR Spread
- Increase in counterparty default risk mainly related to the increase in policyholder debtors due to seasonality
- Increase in Non-Life underwriting risk due to the increase in Non-Life catastrophe SCR (increase in Belgium, Germany and Netherlands Fire exposure)
- The impact of diversification is higher due to the increase in the Counterparty default risk and in the Non-Life risk which are more diversified than the Market risk
- The LAC DT decreases due to the increase of DTA

* The effect of LAC TP has been isolated (included in the market risk in the prior presentations)

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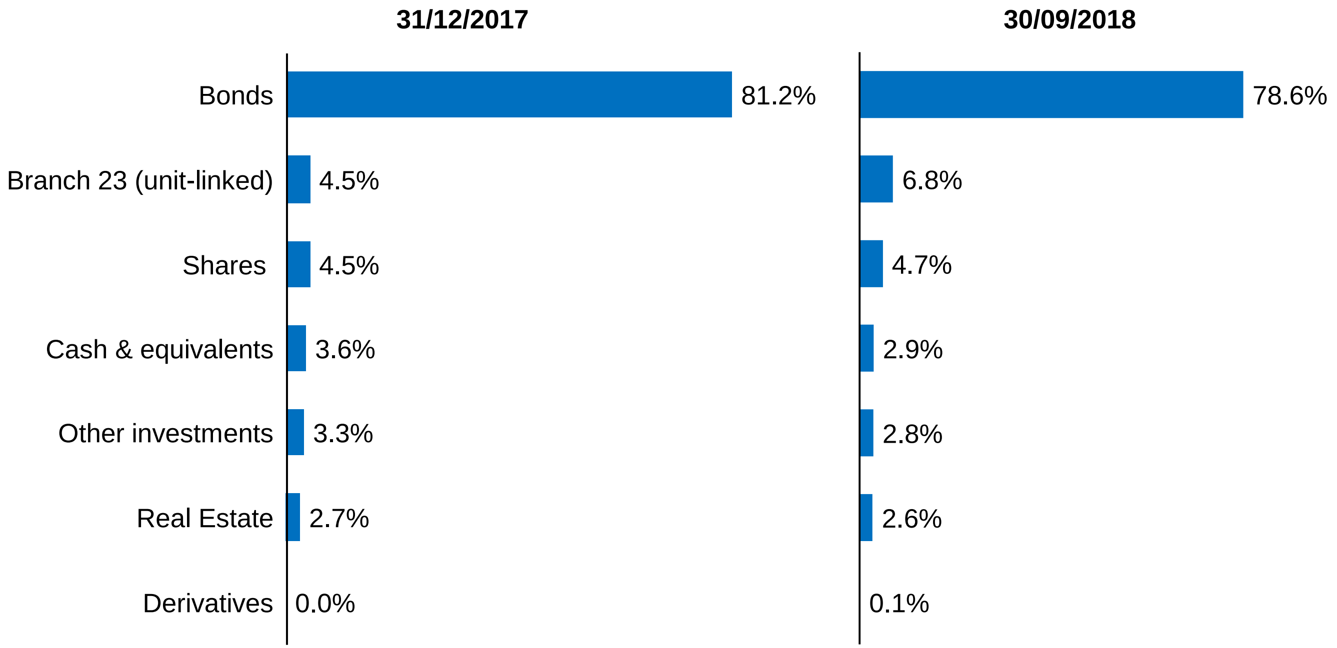
# TOTAL INVESTMENT PORTFOLIO AS OF 30 SEPTEMBER 2018

## Total investment portfolio by asset class

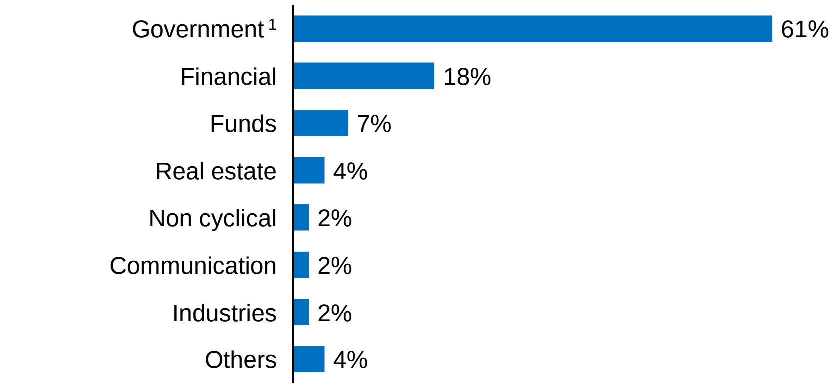



| Asset class (€M) – September 2018 | IFRS value |
|---|---|
| Bonds | 13,995 |
| *a/w Government bonds* | *8,465* |
| Branch 23 (unit-linked) | 1,211 |
| Shares (incl. funds & participations) | 844 |
| Cash & cash equivalents | 509 |
| Other investments | 499 |
| Real Estate | 469 |
| Derivatives | 13 |
| **Total** | **17,799** |

Note: Figures under IFRS ; Total might not add up to 100% as a result of rounding errors

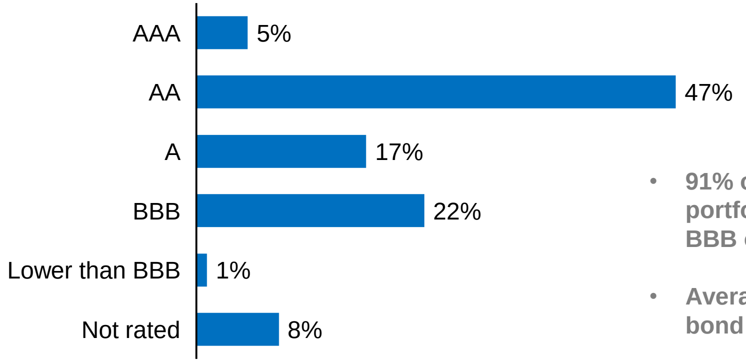
# TOTAL INVESTMENT PORTFOLIO AS OF 30 SEPTEMBER 2018

## Bond portfolio by sector




*Total Q3 2018 IFRS value = €13,995M*

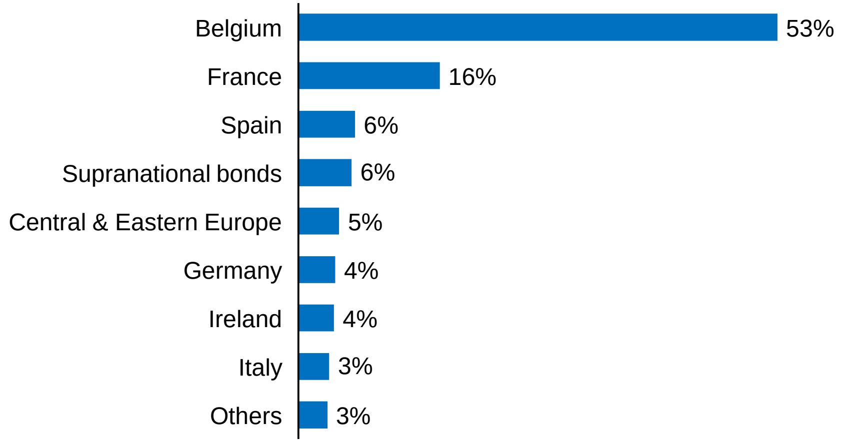
## Bond portfolio by rating




- **91% of total bond portfolio is rated BBB or higher**
- **Average rating of bond portfolio: A-**

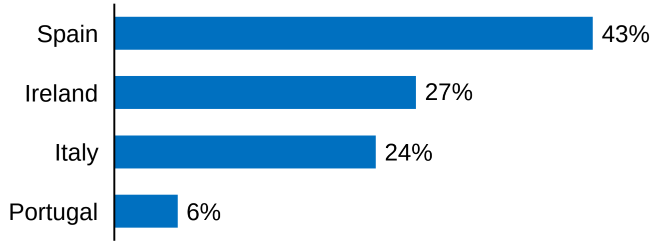
*Total Q3 2018 IFRS value = €13,995M*

## Government bond portfolio by country




*Total Q3 2018 IFRS value = €8,465M*

## PIIGS exposure

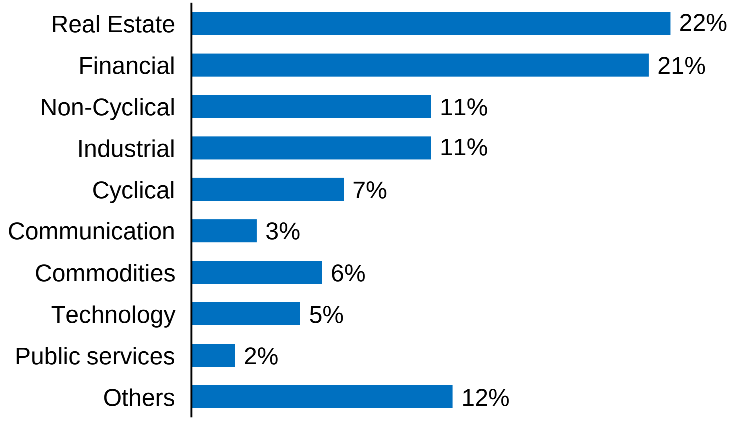



*Total Q3 2018 IFRS value = €1,224M*

Note: Figures under IFRS ; Total might not add up to 100% as a result of rounding errors
[1] Including bonds issued by Public Sector and guaranteed by the Belgian State

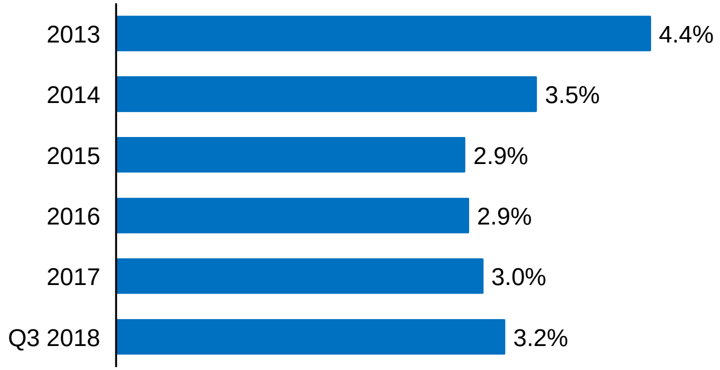
# SHARES (INCL. FUNDS) AND REAL ESTATE PORTFOLIO AS OF 30 SEPTEMBER 2018

## Shares (incl. funds & participations) by sector

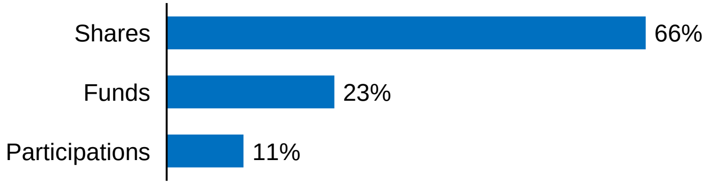



*Total Q3 2018 IFRS value = €844M*

## Evolution of shares (in % of total investment portfolio – without funds & participations)

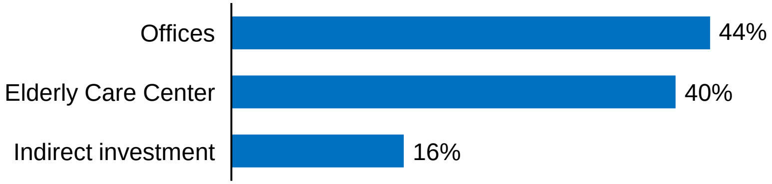



## Shares (incl. funds & participations) by asset class




*Total Q3 2018 IFRS value = €844M*

## Direct real estate by nature




*Total Q3 2018 IFRS value = €469M*

Note: Figures under IFRS ; Total might not add up to 100% as a result of rounding errors

# AGENDA

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# RATING OVERVIEW

FitchRatings

| | | |
|---|---|---|
| Insurer Financial Strength | **BBB+** | Positive outlook |
| Long-Term Issuer Default Rating | **BBB** | Positive outlook |
| Subordinated Debt Rating | **BB+** | |
| Last review | 12 June 2018 | |

*"The revision of Ethias's Outlook to Positive reflects Fitch's view that the likely full repayment of Vitrufin debt and the full disposal of the insurer's capital-intensive individual life portfolio will lead to a strengthening in Ethias's capitalisation, profitability and financial flexibility"*

**Fitch June 12th, 2018**

## Selected extracts from Fitch last long report (07/2018):

"***Improving Credit Profile*** : The ratings reflect Ethias's strong capital position, good profitability and sound business profile in Belgium. These strengths are counterbalanced by a moderate, albeit reducing, exposure to interest-rate risk, and the reliance that parent company Vitrufin places on Ethias for funding, through dividends, the payment of interest and principal on its EUR278 million debt maturing in January 2019."

"***Parent Loan Repayment Likely*** : Ethias paid EUR150 million dividends to Vitrufin in May 2018 related to its 2017 net income and plans to pay another EUR118 million in 2H18 as an interim dividend on its 2Q18 (or 3Q18) earnings. Fitch understands that Vitrufin is bound by the terms of the loan agreement to allocate Ethias's dividends in priority to repay the loan."

"***'First A' Disposal Credit Positive*** : Ethias has been running down its capital-intensive First A retail life reserves since 2010. Ethias announced the sale of its remaining First A portfolio (EUR189 million) in April 2018. The sale which was accounted for in 2017 has a positive effect on Ethias's risk-adjusted capital profile and duration gap."

"***Strong Capitalisation*** : Fitch expects Ethias's capitalisation to benefit from the normalisation of its dividend policy due to earnings retention from 2019. The volatility of its capital position has diminished via a reduction in the company's interest-rate risk exposure. At end-2017, Ethias's Solvency II (S2) margin, which excludes transitional arrangements and dividends, improved to 205% from 146% at end-2016. It has a 'Very Strong' score under Fitch's Prism Factor-Based Capital Model (Prism FBM) at end-2017, after deduction of the EUR268 million dividends."

"***Good Profitability*** : Ethias's underwriting performance is driven by the non-life business, whose profitability remains strong as demonstrated by a reported net IFRS combined ratio of 87.7% at end-2017. Fitch expects earnings in 2018 to be less affected by non-recurring items and be more reflective of consistent technical results."

" ***Reduced Duration Gap*** : Ethias has significantly reduced its exposure to interest-rate risk, resulting from historically high minimum guaranteed returns on life technical liabilities. Fitch views Ethias's investment policy as prudent. The overall risk profile of the investment portfolio remains a rating strength."

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# Consolidated balance sheet (IFRS)

| | 2013 | 2014 | 2015 | 2016 | 2017 | Q3 2018 |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Goodwill | 29 | 30 | 45 | 45 | 60 | 62 |
| Other intangible assets | 13 | 14 | 46 | 94 | 113 | 124 |
| Properties and other fixed assets | 133 | 132 | 136 | 140 | 145 | 134 |
| Investments in associates | 25 | 21 | 0 | 1 | 1 | 1 |
| Investments properties | 357 | 391 | 433 | 495 | 488 | 469 |
| Financial investments | 16.773 | 17.310 | 15.912 | 15.948 | 16.696 | 16.562 |
| Reinsurers' share of insurance liabilities | 141 | 114 | 134 | 122 | 132 | 153 |
| Deferred tax assets | 126 | 279 | 170 | 74 | 0 | 13 |
| Receivables arising from insurance operations or accepted reinsurance | 1.226 | 1.269 | 1.291 | 1.344 | 212 | 243 |
| Receivables arising from ceded reinsurance operations | 65 | 62 | 57 | 64 | 91 | 89 |
| Other receivables | 634 | 210 | 278 | 179 | 153 | 131 |
| Other assets | 286 | 281 | 258 | 242 | 24 | 40 |
| Cash and cash equivalents | 1.567 | 1.893 | 1.087 | 751 | 640 | 509 |
| Available-for-sale assets including assets from discontinued operations | 4 | 1 | 0 | 0 | 0 | 0 |
| **Total assets** | **21.380** | **22.007** | **19.847** | **19.499** | **18.755** | **18.528** |
| | | | | | | |
| **Liabilities** | | | | | | |
| *Share capital* | *1.000* | *1.000* | *1.000* | *1.000* | *1.000* | *1.000* |
| *Reserves and retained earnings* | *249* | *574* | *-31* | *557* | *936* | *813,631* |
| *Net profit (loss) of the period* | *325* | *-604* | *633* | *424* | *158* | *158,996* |
| *Other items of comprehensive income* | *170* | *177* | *233* | *276* | *381* | *287,502* |
| **Equity of the Group** | **1.744** | **1.146** | **1.835** | **2.257** | **2.475** | **2.260** |
| Non-controlling interests | 42 | 52 | 34 | 48 | 46 | 47,14 |
| **Total equity** | **1.786** | **1.198** | **1.869** | **2.305** | **2.521** | **2.307** |
| *Insurance contract liabilities* | *8.136* | *8.530* | *8.607* | *8.541* | *8.612* | *8.521* |
| *Investment contract liabilities with discretionary participation features* | *9.470* | *10.279* | *7.351* | *6.197* | *4.946* | *4.664* |
| *Investment contract liabilities without discretionary participation featu* | *0* | *4* | *4* | *4* | *4* | *3,692* |
| *Liabilities belonging to unit-linked insurance contracts* | *477* | *416* | *359* | *408* | *811* | *1.211* |
| *Profit sharing liabilities* | *13* | *21* | *38* | *24* | *34* | *1,665* |
| **Insurance and investment contract liabilities** | **18.096** | **19.250** | **16.359** | **15.174** | **14.407** | **14.402** |
| Subordinated debts | 322 | 322 | 454 | 454 | 479 | 474 |
| Other financial debts | 42 | 46 | 56 | 387 | 403 | 207 |
| Employee benefits | 537 | 603 | 502 | 535 | 286 | 273 |
| Provisions | 149 | 119 | 63 | 30 | 150 | 61 |
| Derivative financial instruments | 0 | 0 | 20 | 8 | 5 | 13 |
| Tax payables | 35 | 39 | 49 | 52 | 30 | 63 |
| Deferred tax liabilities | 4 | 4 | 0 | 21 | 34 | 18 |
| Liabilities from operating activities | 186 | 208 | 216 | 227 | 232 | 233 |
| Other liabilities | 218 | 214 | 259 | 306 | 208 | 476 |
| Liabilities related to assets available for sale and discontinued operatior | 5 | 2 | 0 | 0 | 0 | 0 |
| **Total other liabilities** | **19.594** | **20.809** | **17.978** | **17.194** | **16.234** | **16.221** |
| **Total liabilities** | **21.380** | **22.007** | **19.847** | **19.499** | **18.755** | **18.528** |

# Consolidated income statement (IFRS)

| (in €M) | 2013 | 2014 | 2015 | 2016 | 2017 | Q3 2017 | Q3 2018 |
|---|---|---|---|---|---|---|---|
| Gross premiums | 2.692 | 2.376 | 2.444 | 2.406 | 2.440 | 1.880 | 2.080 |
| Premiums ceded to reinsurers | -72 | -41 | -38 | -37 | -31 | -33 | -40 |
| Change in the provision for unearned premiums and outstanding risks[1] | -12 | -15 | -7 | -17 | -2 | -119 | -117 |
| Other income from insurance activities | 3 | 4 | 5 | 5 | 5 | 8 | 4 |
| **Revenues from insurance activities[1]** | **2.611** | **2.324** | **2.404** | **2.357** | **2.412** | **1.736** | **1.927** |
| Revenues from other activities | 163 | 173 | 199 | 384 | 259 | 188 | 204 |
| **Revenues** | **2.775** | **2.497** | **2.603** | **2.741** | **2.671** | **1.924** | **2.131** |
| Investment income | 658 | 621 | 624 | 646 | 479 | 360 | 320 |
| Net realized gains or losses on investments | 33 | 120 | 34 | 62 | 85 | 74 | 76 |
| Change in fair value of investment through profit or loss[2] | 82 | 22 | 26 | -2 | 44 | 35 | -30 |
| **Net financial income** | **773** | **764** | **684** | **706** | **608** | **469** | **366** |
| **Net revenues** | **3.548** | **3.261** | **3.287** | **3.447** | **3.279** | **2.393** | **2.497** |
| | | | | | | | |
| Benefits and claims | 2.633 | 3.185 | 2.137 | 2.326 | 2.274 | 1.489 | 1.841 |
| Net expenses or revenues ceded to reinsurers | -26 | -15 | -48 | -15 | -7 | -5 | -20 |
| Management costs[3] | 281 | 285 | 258 | 274 | 287 | 244 | 258 |
| **Technical expenses for insurance activities** | **2.887** | **3.455** | **2.347** | **2.585** | **2.554** | **1.728** | **2.080** |
| Expenses for other activities | 175 | 542 | 201 | 306 | 425 | 308 | 188 |
| **Operating expenses** | **3.062** | **3.997** | **2.548** | **2.891** | **2.979** | **2.036** | **2.268** |
| Change in depreciation and amortization on investments (net) | 25 | 23 | 41 | -10 | 10 | 7 | 16 |
| Other investment financial expenses | 83 | -11 | -45 | 14 | 15 | 14 | 9 |
| Finance costs | 18 | 18 | 20 | 30 | 30 | 23 | 22 |
| **Financial expenses** | **126** | **30** | **16** | **34** | **55** | **44** | **48** |
| **Net expenses** | **3.188** | **4.027** | **2.563** | **2.925** | **3.034** | **2.080** | **2.315** |
| Goodwill impairment | | | | | | | |
| **Net profit (loss) before tax** | **360** | **-766** | **724** | **522** | **245** | **313** | **182** |
| | | | | | | | |
| Income taxes | -30 | 167 | -87 | -98 | -84 | -97 | -15 |
| **Net profit (loss) after tax** | **330** | **-599** | **637** | **424** | **161** | **216** | **167** |
| Investment in associates through profit or loss | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Net profit (loss) before tax of available-for-sale companies and of discontinued operat | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| **Net consolidated profit (los) attributable to :** | **330** | **-598** | **638** | **424** | **161** | **216** | **167** |
| Owners of the parent | 325 | -604 | 633 | 424 | 158 | 214 | 159 |
| Non-controlling interests | 5 | 6 | 5 | 0 | 3 | 2 | 8 |

[1] Net of reinsurance; [2] Includes change in fair value at of the fair value of investments of which the financial risk is supported by the insured; [3] Includes contract acquisition costs, administration costs, internal claim handling costs and other technical expenses

# Disclaimer

These assessments are, as always, subject to the disclaimer provided below.

Certain of the statements contained herein are statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Future actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, (ii) performance of financial markets, (iii) the frequency and severity of insured loss events, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) interest rate levels, (vii) currency exchange rates, (viii) increasing levels of competition, (ix) changes in laws and regulations, including monetary convergence and the Economic and Monetary Union, (x) changes in the policies of central banks and/or foreign governments and (xi) general competitive factors,

**No duty to update**
The company assumes no obligation to update any information or forward-looking statement contained herein, save for any information required to be disclosed by law

# Investor Relations

**Website: www.ethias.be/investors**