Half-year results 30.06.2018

25.10.2018

AGENDA

- **Key Q2 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 audited statutory accounts (limited review)*
[2] *Figures are based on audited (limited review) 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 Q2 2018 HIGHLIGHTS

Key events			

- Signing of the agreements with the **purchaser of the remaining "FIRST A" portfolio**, Laguna Life, in April and agreement of the NBB on the sale transaction (closing on the 28th of September 2018)
- Payment to Vitrufin of a **€150M dividend** in May and of an **interim dividend of €118M** in August
- Rating for Ethias SA's financial strength placed at **BBB+ with positive outlook** in June

Financial results

	BGAAP – Ethias SA	IFRS – Ethias Group
Operating result before tax	**€110M** o/w €86M from Non-Life	**€105M** o/w €83M from Non-Life
Net income	**€98M** taking into account : - *Financial non-recurring items : +€14M* - *Tax : -€26M*	**€74M** taking into account: - *Financial non-recurring items : -€5M* - *Other non-recurring items : +€7M* - *Tax: -€29M*

Business units (IFRS)

Non-Life

- **GWP €891M**
- **Operational result €83M**
- **COR 94.5%**

Life

- **GWP €647M**
- **Operational result €19M**

Other key indicators

Equity (IFRS)

- **€2,398M**, from €2,521M in 2017

Debt ratio (IFRS)

- **20.8%** vs 20.0% end 2017

Solvency II

- **175%** vs 183% end 2017

Unrealized gains on assets (BGAAP)

- **€1,390M**, down from €1,564M 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.
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 margin

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**, vz. 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 OFP**

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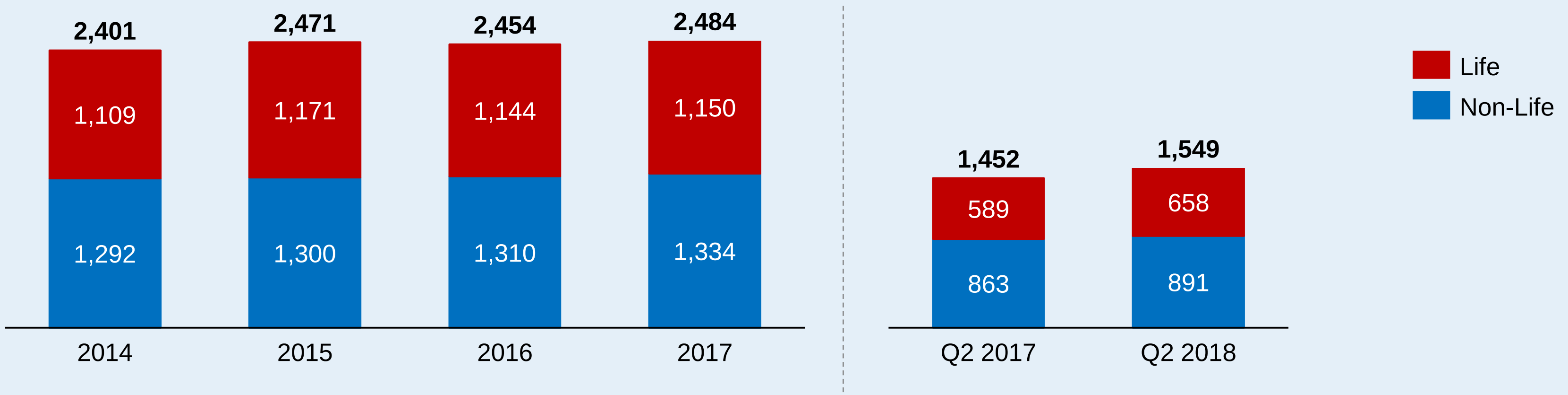
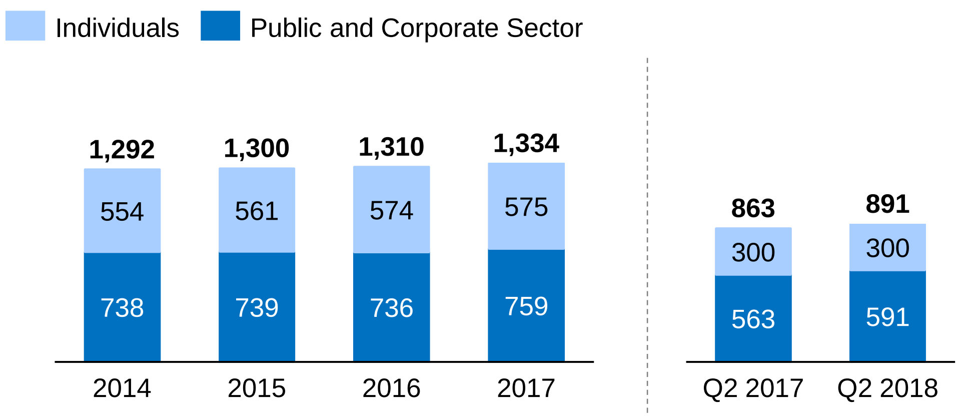
ethias

NON-LIFE/LIFE INFLOWS

Evolution of GWP (€M)

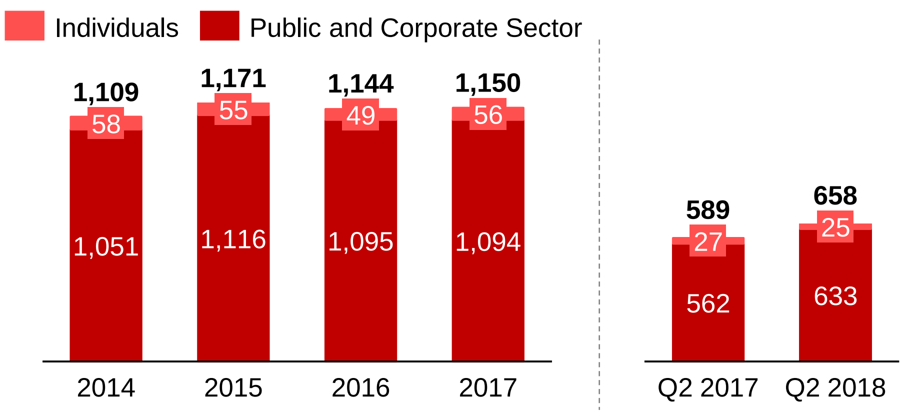


Evolution of Non-Life GWP (€M)



- Increase by 3.1% in Non-Life premium income between June 2017 and June 2018 (where the market growth stands at 2%, based on Assuralia Q1 2018 figures) coming from Public & Corporate, of which impact from the acquisition of the portfolio “Worker’s Compensation - Public Sector” that was held by Ethias Droit Commun until end-December 2017)

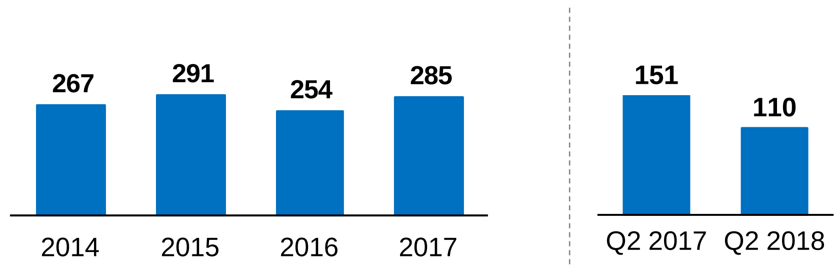
Evolution of Life GWP (€M)

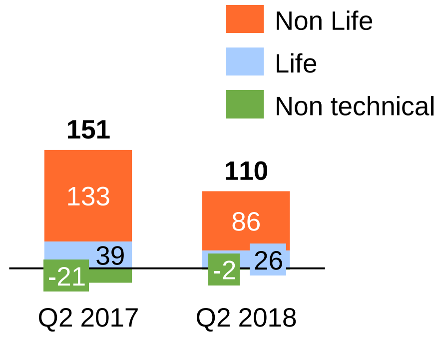


- Pressure due to the low interest rate environment. The 11.7% growth in premium income between June 2017 and June 2018 comes from the Public Sector (first pillar), boosted by a timing effect in premium collection and higher single premiums, partially compensated by a decrease in second pillar 2 (transfer of Ethias’ Group Insurance into the Ethias Pension Fund in H2 2017). Still no new business in Life Retail.

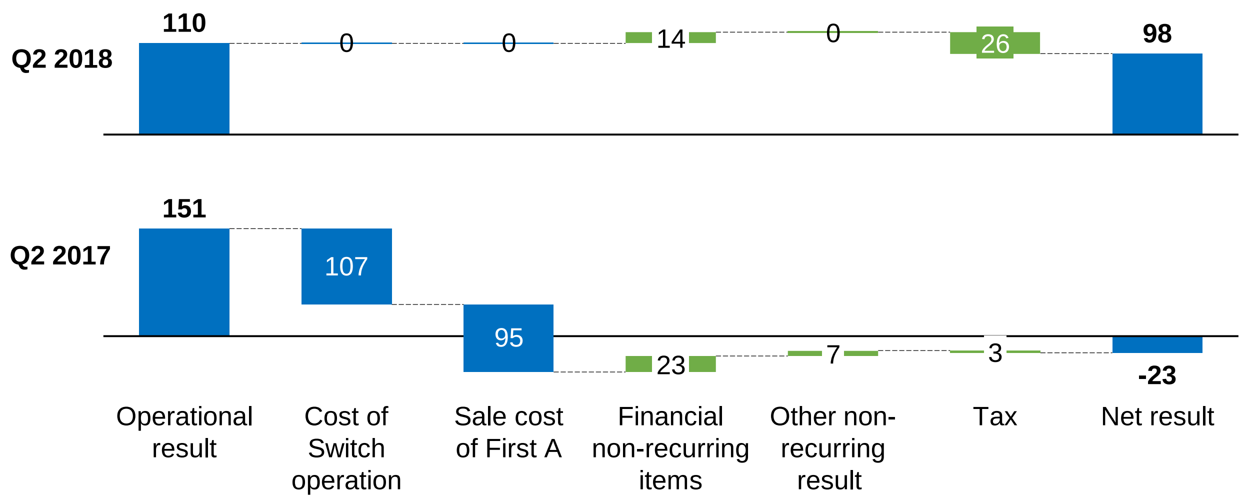
EVOLUTION IN OPERATIONAL RESULT

Evolution in operational result under BGAAP (€M)





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



- The **operational result as per end of June 2018 amounts to €110M** and results from the Non-Life activity for €86M and from the Life activity for €26M. The decrease in this result compared to the one as per end of June 2017 is explained by the following elements, reminding that the result of June 2017 was exceptionally at a very good level :
  - A deterioration in the claims charge of Car and Worker's Compensation
  - The impact of climate events for €14M (non significant in 2017)
  - Lower reserve release on prior years

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

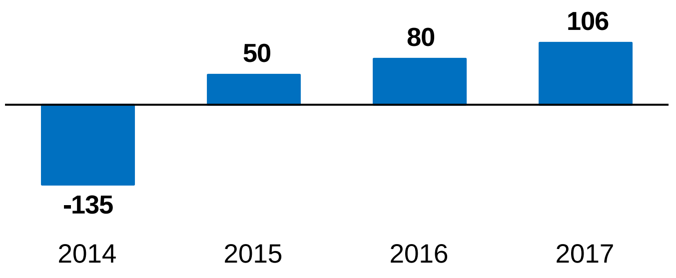
- **Exceptional items** amount +€14M as per end of June 2018, coming from non-recurring financial income. These exceptional items are €185M above H1 2017 (-€172M o/w -€202M resulted from the First A operations)

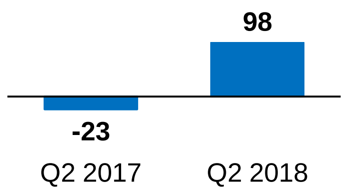
- The **net result as per end of June 2018 stands at €98M**, the operational result being impacted by + 14 M exceptional items and by the tax charge of €26M (only €3M of tax charge as per end of June 2017)

- 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)





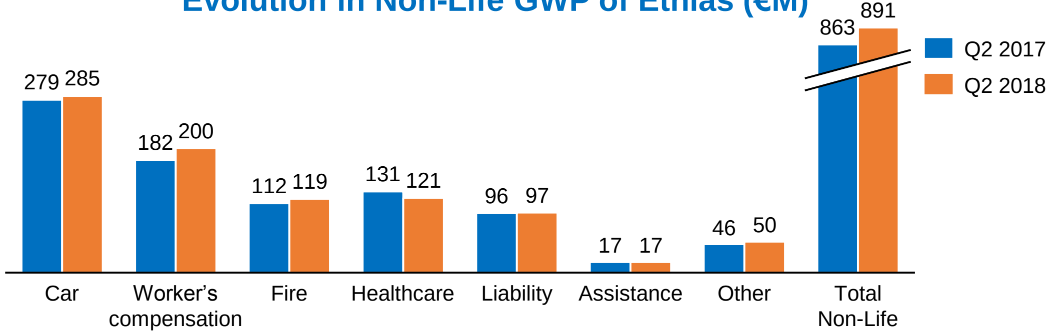
The increase in net result is mainly explained by the large negative exceptional items booked as per end of June 2017 (the cost of Switch operation and the sale cost of the remaining First A portfolio - see page 8)

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

	2014	2015	2016	2017	Q2 2017	Q2 2018
Non-Life technical result	263	298	255	244	155	88
o/w Technical Items	*330*	*366*	*316*	*363*	*193*	*151*
o/w Financial revenues	*133*	*133*	*153*	*125*	*73*	*53*
o/w Expenses	*(200)*	*(201)*	*(214)*	*(244)*	*(111)*	*(116)*
Life technical result	(28)	(300)	(320)	24	(60)	38
o/w Technical Items	*(594)*	*(766)*	*(693)*	*(373)*	*(265)*	*(162)*
o/w Financial revenues	*600*	*491*	*406*	*435*	*222*	*214*
o/w Expenses	*(34)*	*(25)*	*(33)*	*(38)*	*(17)*	*(14)*
Non-technical result	(366)	56	148	(158)	(115)	(2)
Tax & Transfers and withdrawals from untaxed reserves	(4)	(4)	(3)	(4)	(3)	(26)
Net result	(135)	50	80	106	(23)	98

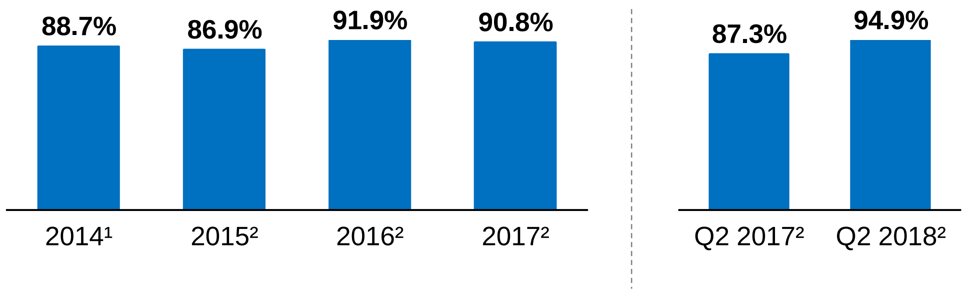
FOCUS ON NON-LIFE BUSINESS

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



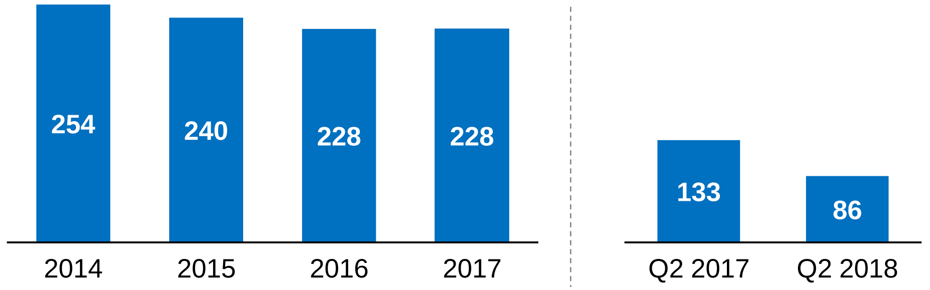
- Premium income increase in Worker's Compensation following the acquisition of the "Worker's Compensation Law 1967" portfolio (public sector) from Ethias DC (previously reinsured at 95% by Ethias SA) and increase in the number of new businesses in "Worker's Compensation Law 1971" (corporate sector)
- 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

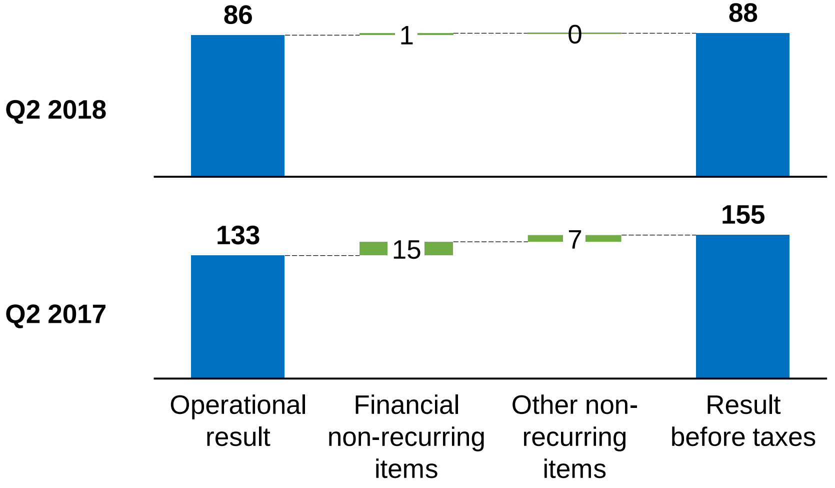
Net combined ratio of Ethias (BGAAP)



- Net CoR of June 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 Q2 2017 (exceptionally at a very good level) due to :

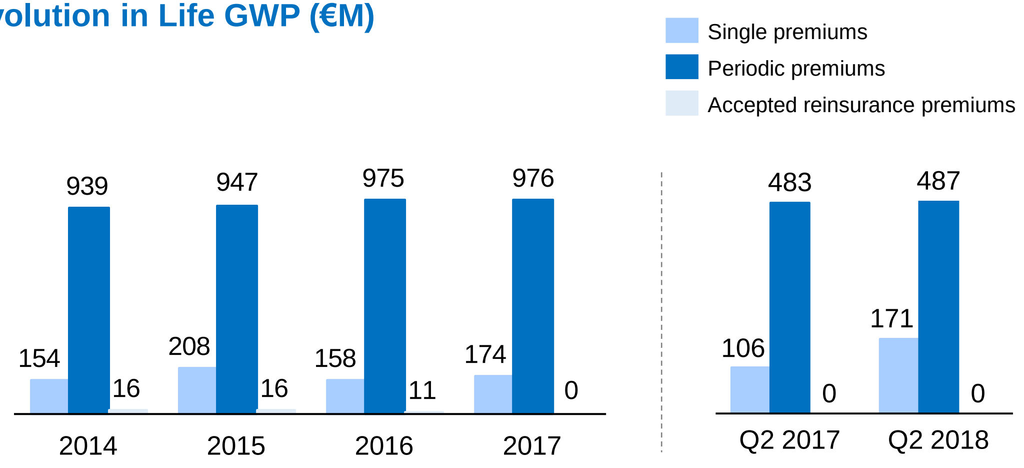
- Higher claims charge in Car and Worker's Compensation
- Adverse weather impact €14M (was non-significant in 2017)
- Lower reserve releases on prior years

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

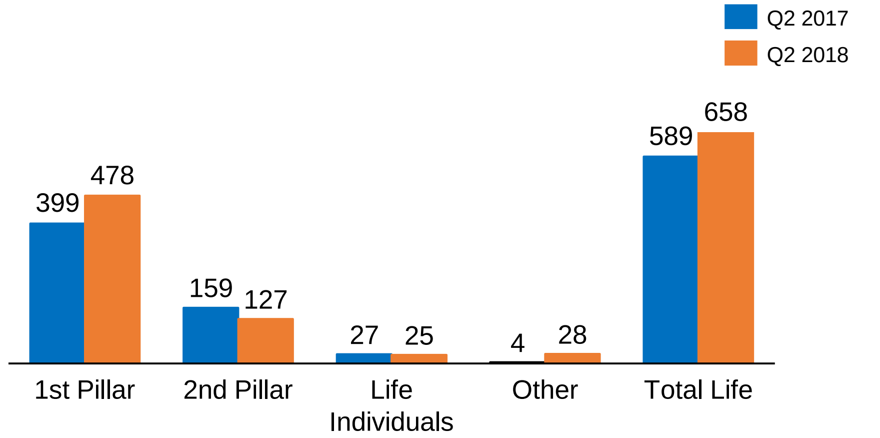
ethias

FOCUS ON LIFE BUSINESS

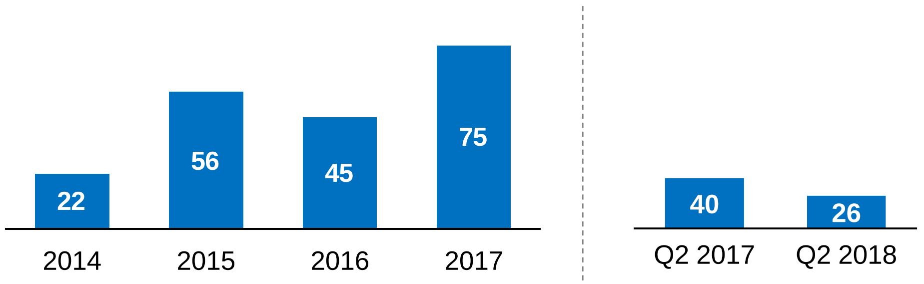
Evolution in Life GWP (€M)

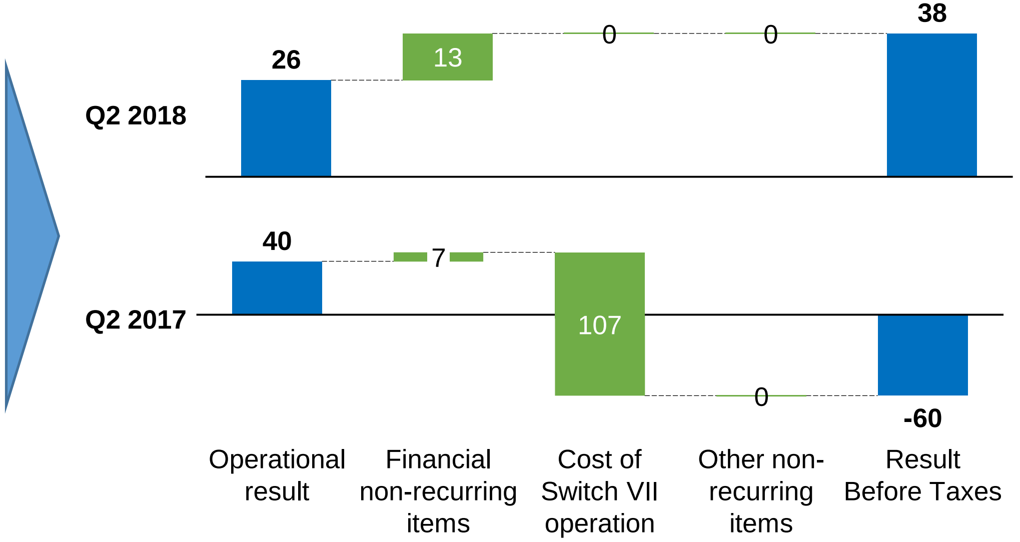


Evolution in Life GWP (€M)



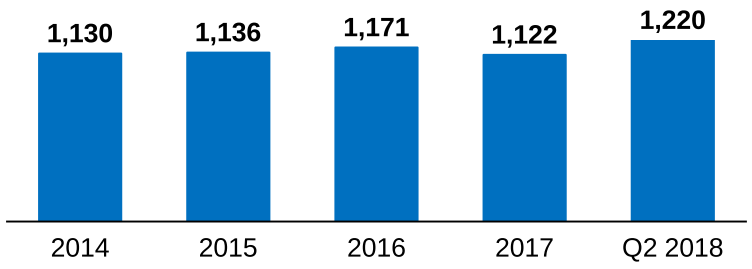
Life operational result BGAAP (€M)





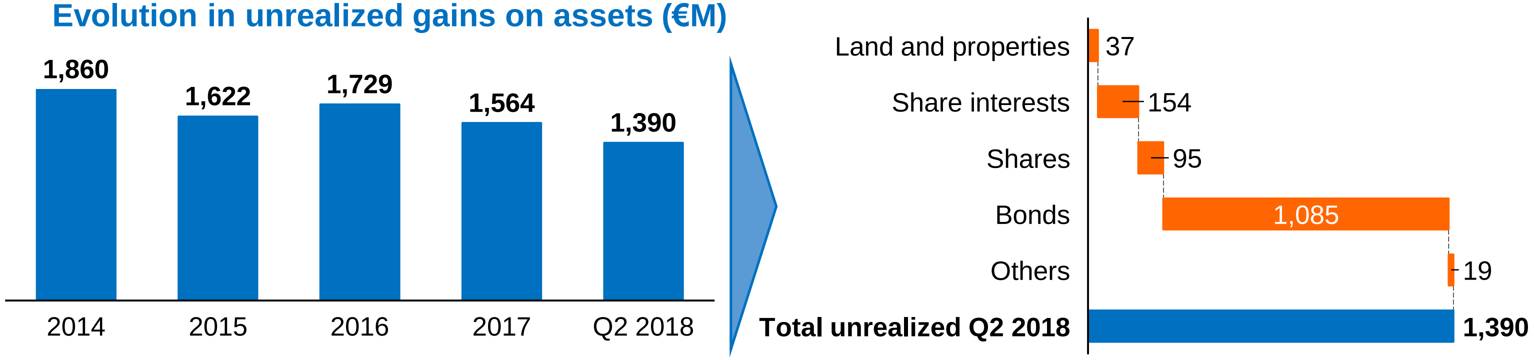
OTHER KEY ELEMENTS

Evolution in equity (€M)



- Increase in own funds by €98M compared to end-December 2017 (impact of net result)

Evolution in unrealized gains on assets (€M)



- Decrease in unrealized gains compared to end-December 2017 mainly due to the increase in credit spreads

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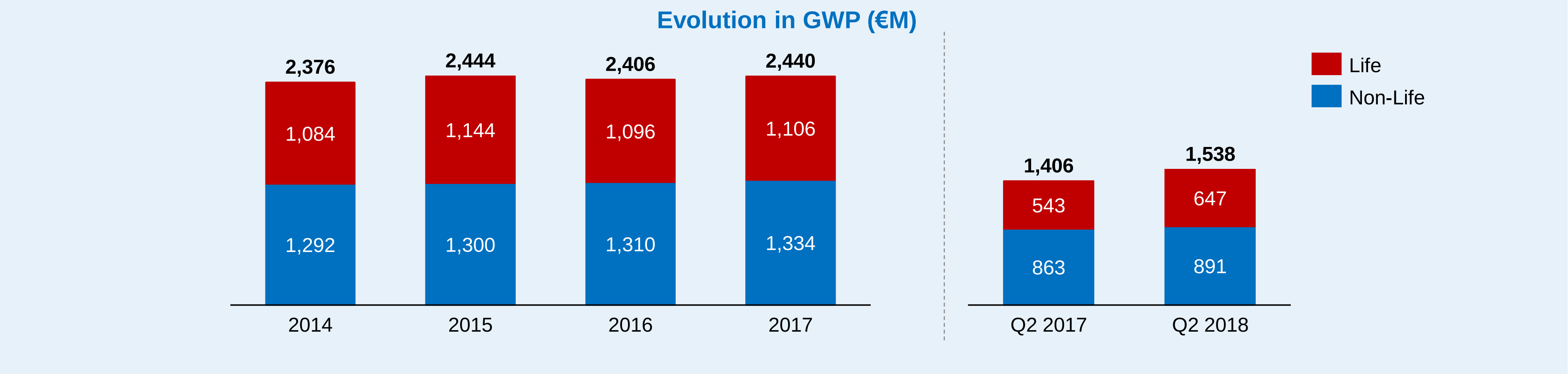
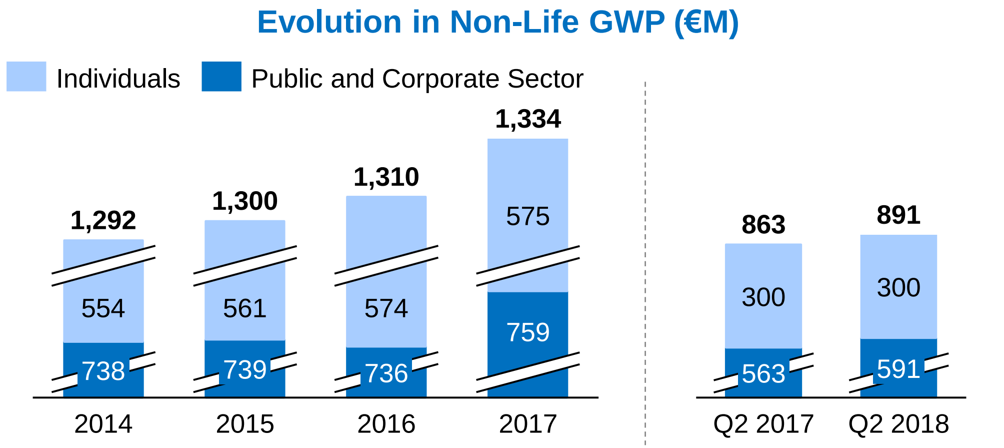
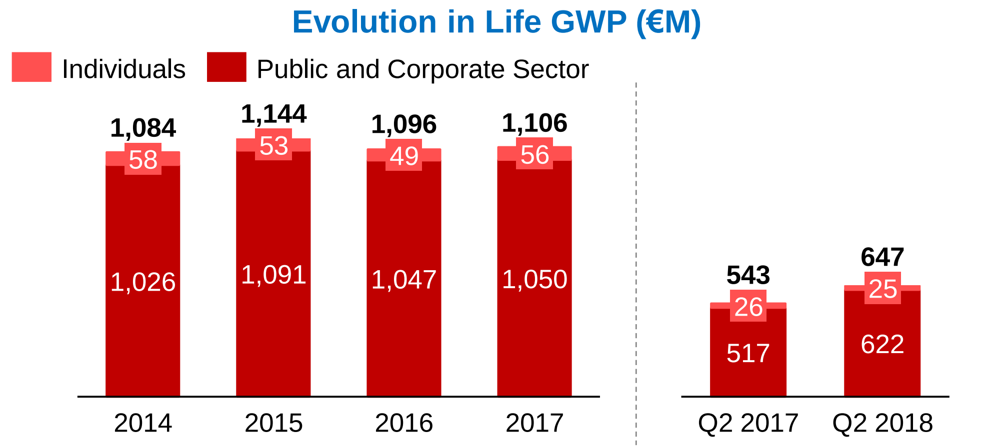
NON-LIFE/LIFE INFLOWS





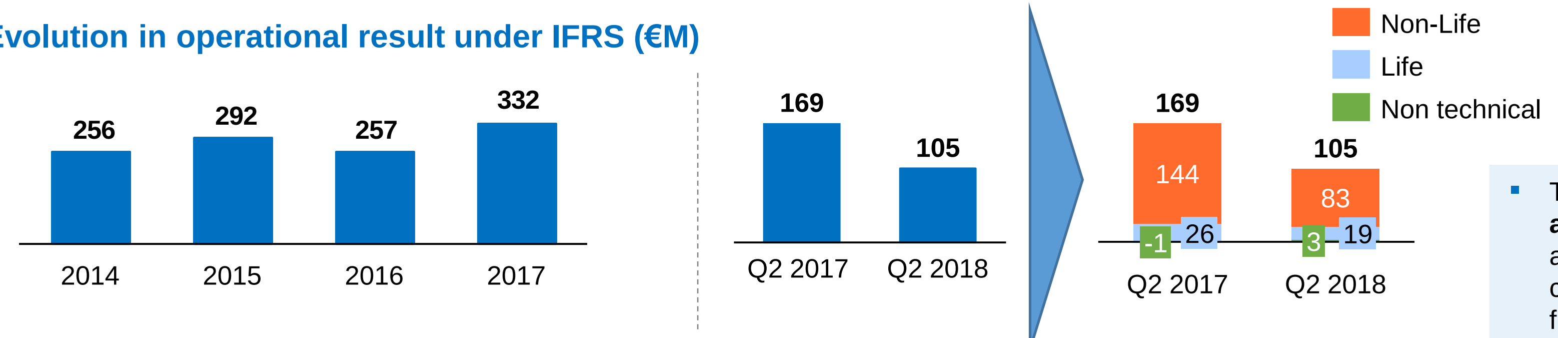
- Increase by 3.1% in Non-Life premium income between June 2017 and June 2018 (where the market growth stands at 2%, based on Assuralia Q1 2018 figures) coming from Public & Corporate, of which impact from the acquisition of the portfolio “Worker’s Compensation - Public Sector” that was held by Ethias Droit Commun until end-December 2017)



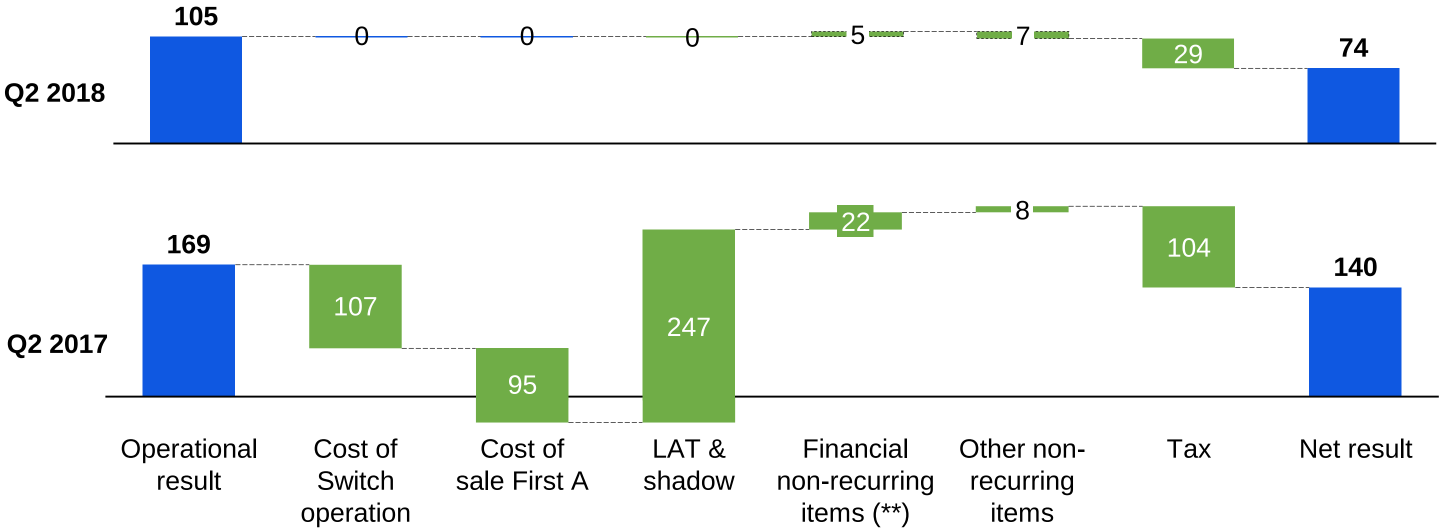
- Pressure due to the low interest rate environment. The 19,2% growth in premium income between June 2017 and June 2018 comes from the Public Sector (first pillar), boosted by a timing effect in premium collection and higher single premiums. Still no new business in Life Retail.

EVOLUTION IN OPERATIONAL RESULT (*)

Evolution in operational result under IFRS (€M)



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



- The **consolidated operational result at end-June 2018 amounts to €105M** and results from the Non-Life activity for €83M and from the Life activity for €19M. The decrease in this result compared to the one as per end of June 2017 is explained by the following elements, reminding that the result of June 2017 was exceptionally at a very good level :
  - A deterioration in the claims charge of Car and Worker's Compensation
  - The impact of climate events for €14M (non significant in 2017)
  - Lower reserve release on prior years

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

  Life operating margin 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 €-2M, coming from positive non-recurring financial income more than compensated by other non-recurring items (retirement plan 60+). The exceptional items are €77M below H1 2017 (€75M)

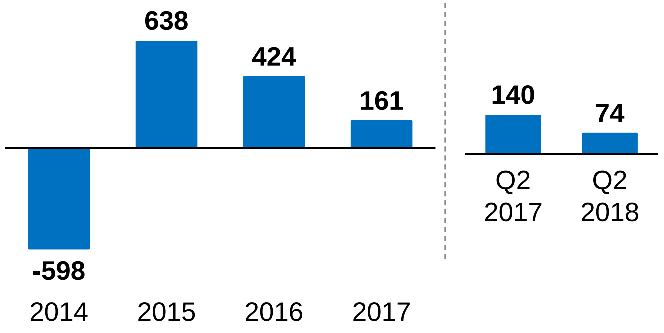
- The **net result as per end of June 2018 stands at €74M**, the €105M operational result being impacted by €-2M exceptional items and by the tax charge of €29M

(*) Part of the group

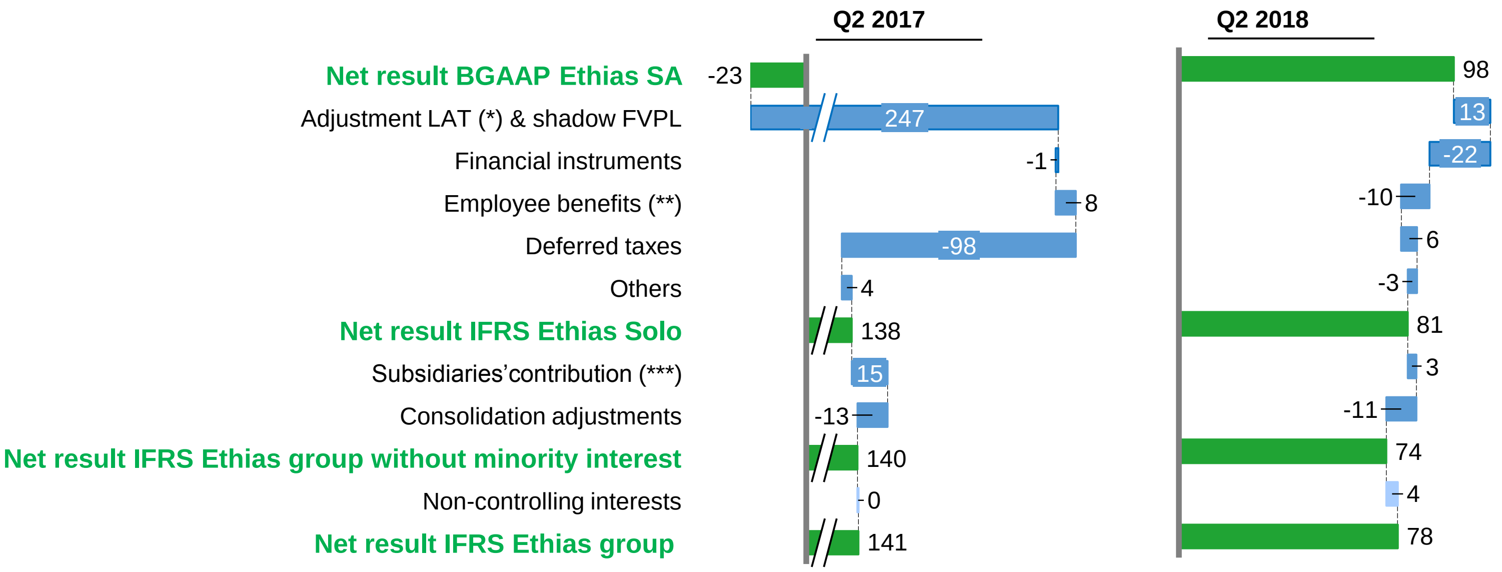
(**) In 2018, financial non recurring items include fair value through P&L for the part not compensated by shadow accounting

EVOLUTION OF NET RESULT UNDER IFRS (€M)

Evolution in group result under IFRS (€M)



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



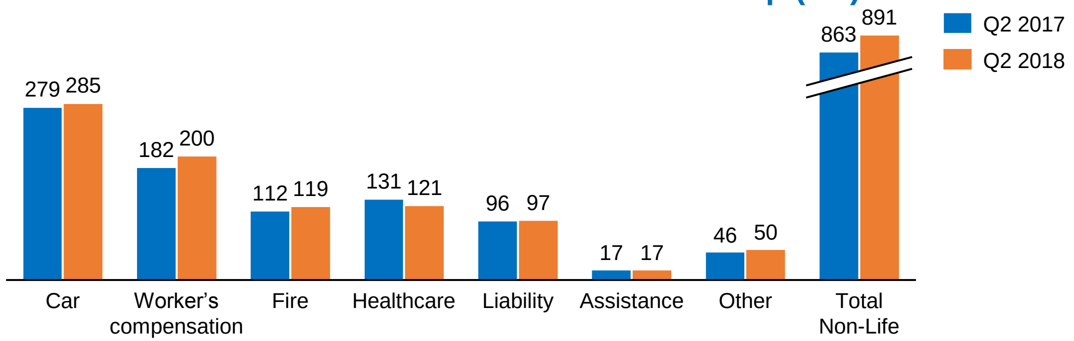
Breakdown of net result under IFRS, including minority interests (€M)

	2014	2015	2016	2017	Q2 2017	Q2 2018
Technical result	(439)	630	340	400	341	109
o/w Non-Life	*242*	*306*	*278*	*299*	*180*	*77*
o/w Life	*(681)*	*324*	*62*	*101*	*161*	*32*
Non-technical result	(326)	95	182	(155)	(96)	(2)
Tax	167	(87)	(98)	(84)	(104)	(29)
Net result	(598)	638	424	161	141	78
For reference :						
Net result BGAAP	(135)	50	80	106	-23	98

(*) 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

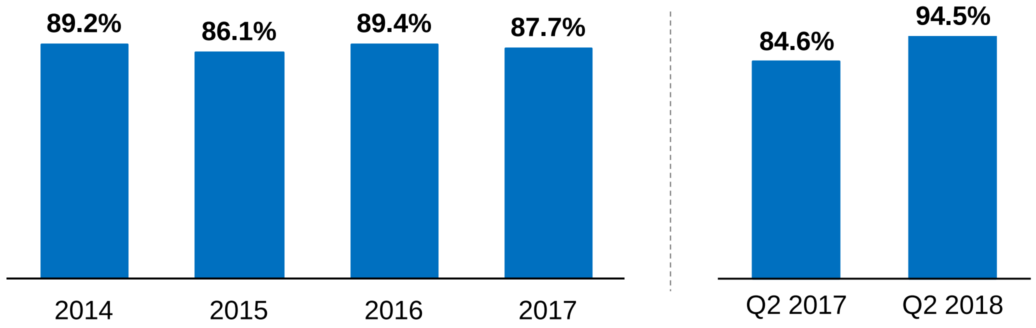
FOCUS ON NON-LIFE BUSINESS

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



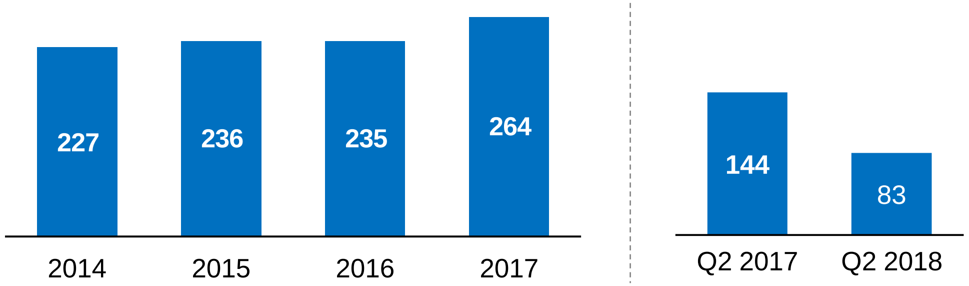
- Premium income increase in Worker's Compensation following the acquisition of the "Worker's Compensation Law 1967" portfolio (public sector) from Ethias DC (previously reinsured at 95% by Ethias SA) and increase in the number of new businesses in "Worker's Compensation Law 1971" (corporate sector)
- 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)



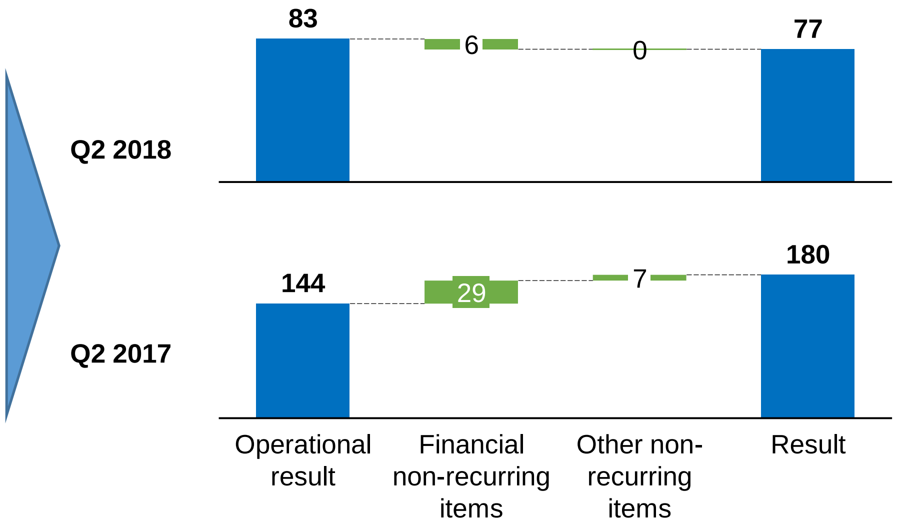
- Net CoR of June 2018 impacted negatively by the claims charge increase in Car and Worker's Compensation as well as by natural disaster

Non-Life operational result IFRS (€M)



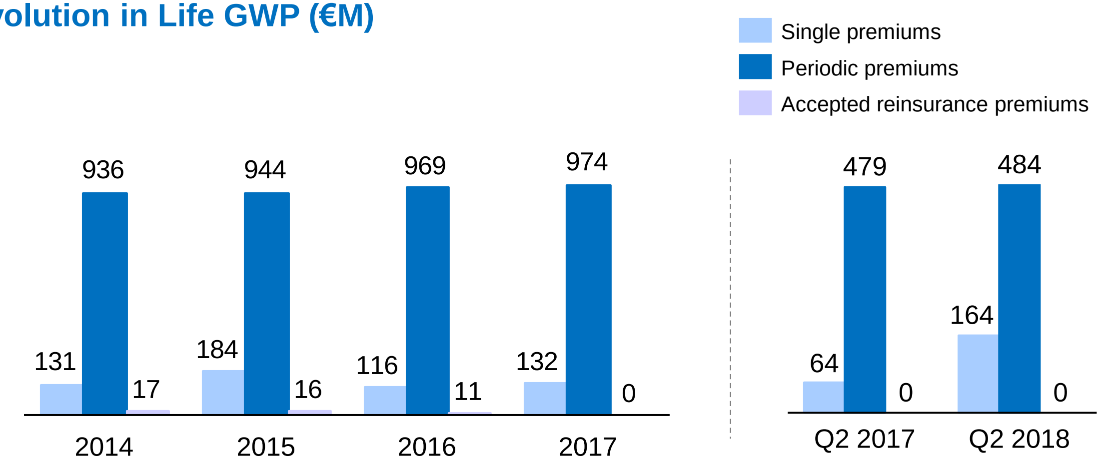
Decrease in operational result compared to Q2 2017 (exceptionally at a very good level) due to :

- Higher claims charge in Car and Worker's Compensation
- Adverse weather impact €14M (was non-significant in 2017)
- Lower reserve releases on prior years

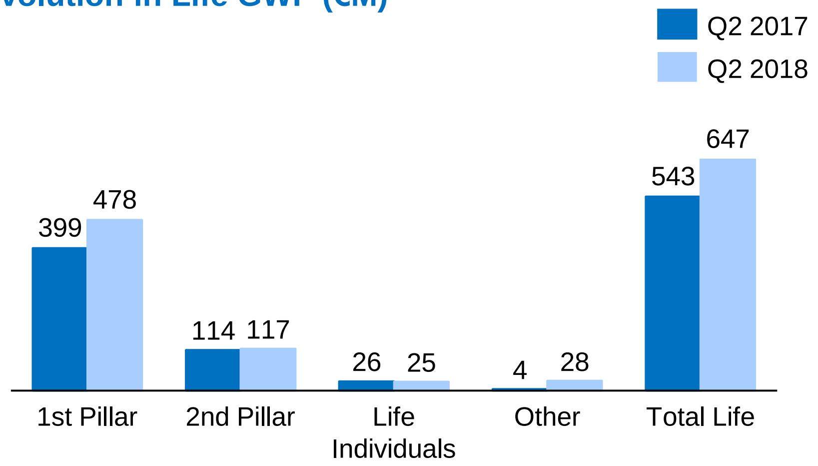


FOCUS ON LIFE BUSINESS

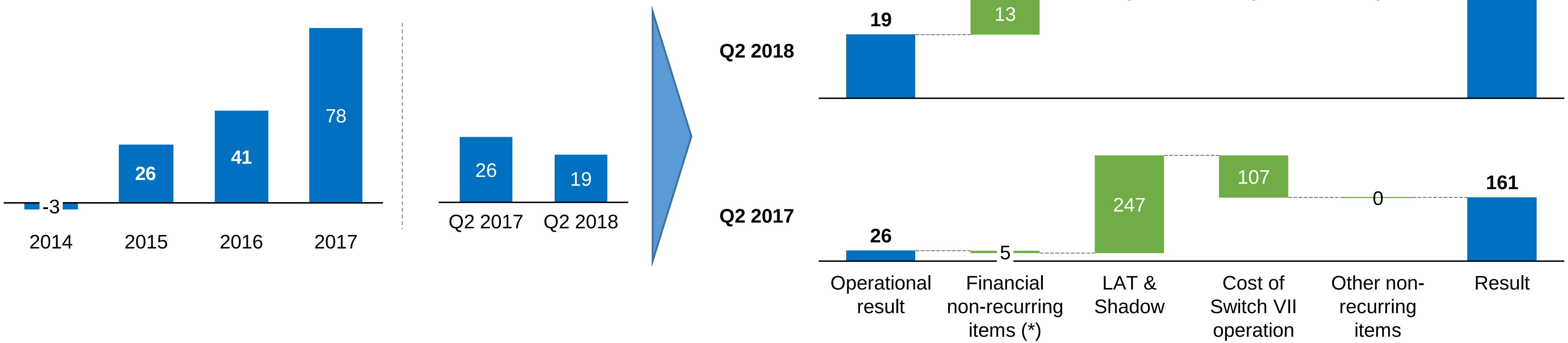
Evolution in Life GWP (€M)



Evolution in Life GWP (€M)



Life operational result IFRS (€M)



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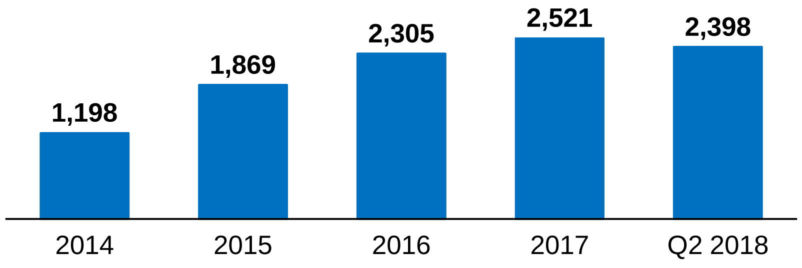
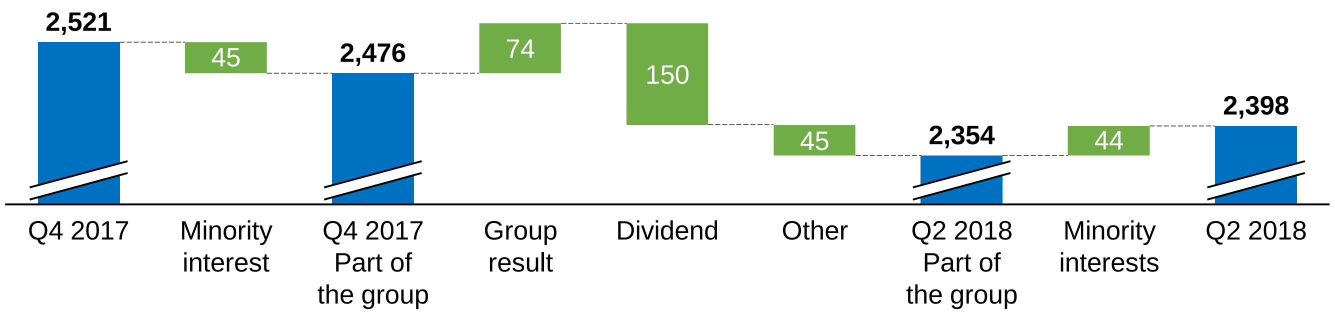
OTHER KEY ELEMENTS

Evolution in equity (€M)

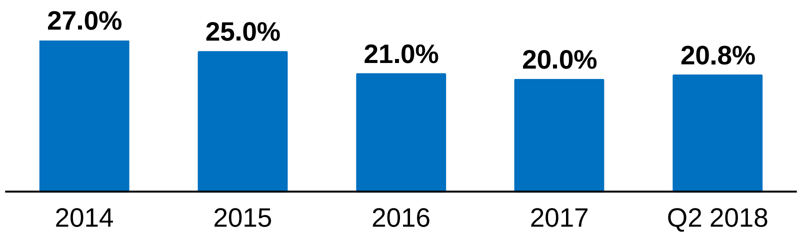




The decrease in equity (part of the group) between end-December 2017 and end-June 2018 is mainly explained by the combination of the following elements:

- Payment of the €150M dividend
- Net result of the period of €74M
- Other movements of -€45M

Evolution in debt ratio



- The ratio at end-June 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 Q2 2018 on the basis of Fitch

Duration gap

	31/12/2017			30/06/2018		
	Assets Duration	Liab. Duration	Duration gap	Assets Duration	Liab. Duration	Duration gap
Total Life	7.98	12.98	(0.92)	6.91	8.50	0.08
Total Non-Life	5.13	8.21	(1.04)	5.13	7.64	(0.88)
TOTAL			(0.96)			(0.22)

- The decrease in the duration of assets in Life is mainly explained by a low level of reinvestment
- The decrease in the duration of Life liabilities results from a more accurate modelling

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- Appendix

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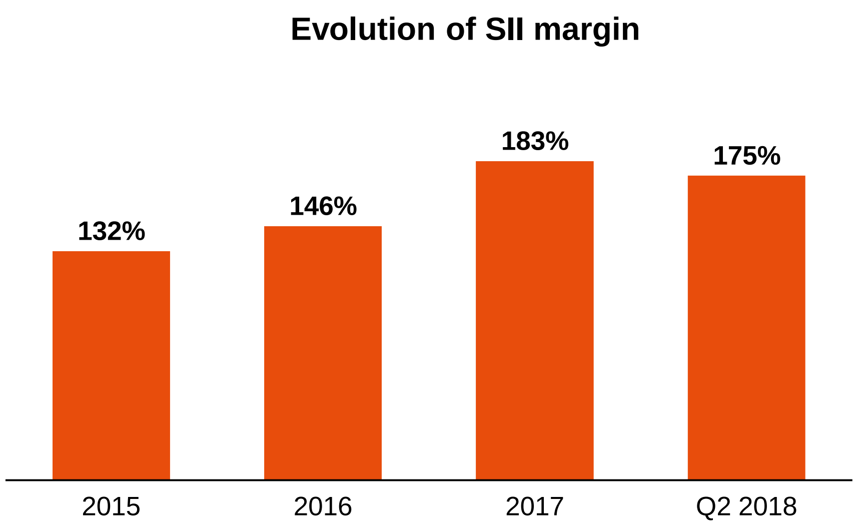
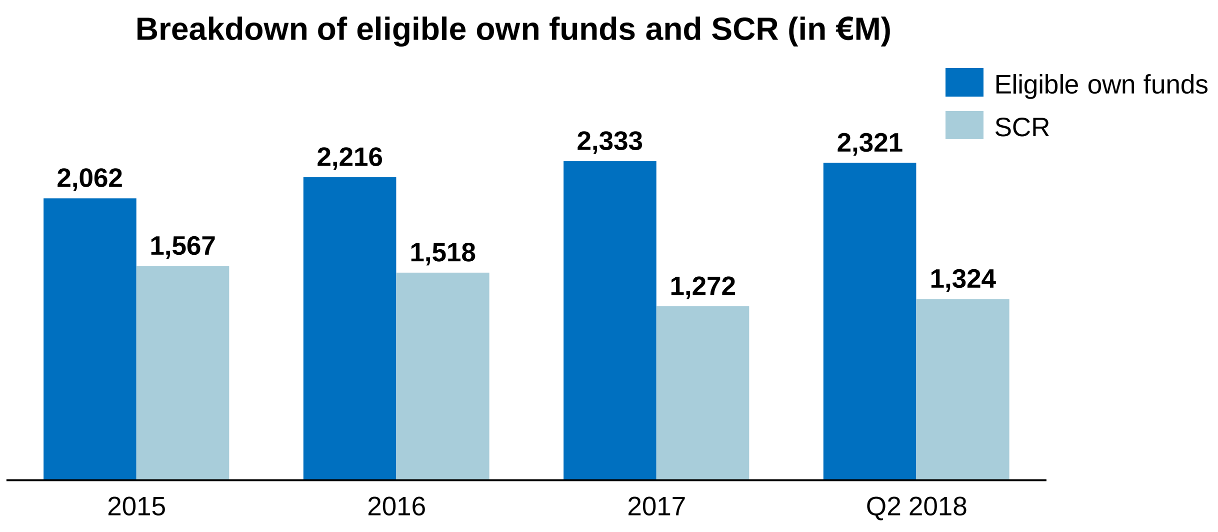
SOLVENCY II – WITH USE OF THE STANDARD FORMULA – AFTER DIVIDENDS (1/2)

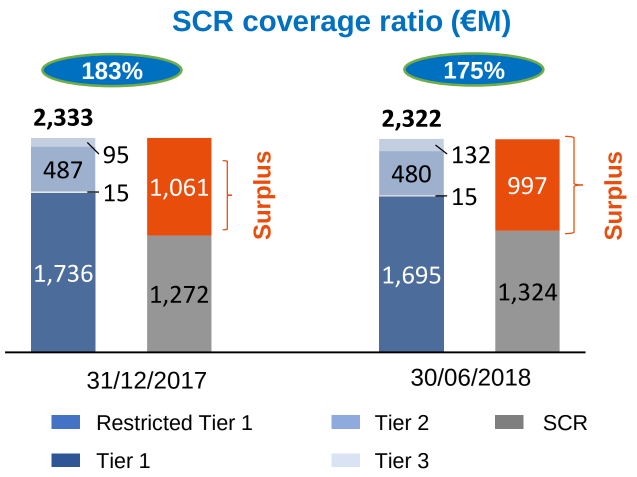


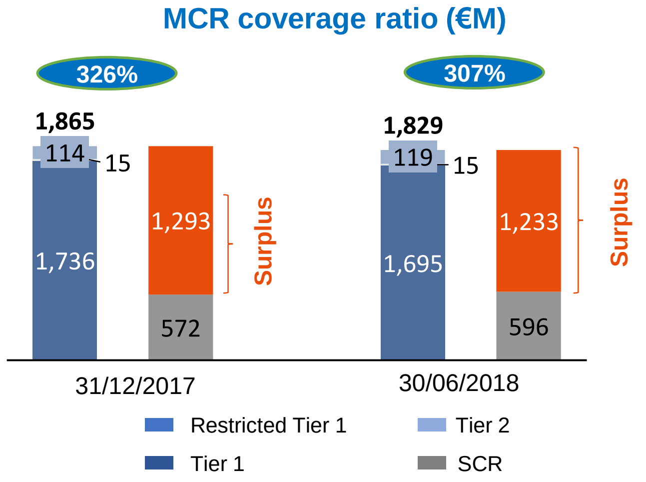


- The SII margin at end-December 2017 and at end-June 2018 is impacted by the €268M of dividends allowing Vitrufin to have the necessary amount of cash to reimburse its senior loan in January 2019 (€150M have been paid to Vitrufin after the ordinary general assembly of Ethias SA in May 2018 and the balance of €118M has been paid as an interim dividend as per end of August 2018)
- The decrease in the SII margin at end-June 2018 was due to a decrease in eligible own funds (increase in credit spreads, slight decrease in interest rates, increase in the claims costs in Non-Life) as well as an increase in the SCR (decrease in the impact of the LAC DT)
- 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)

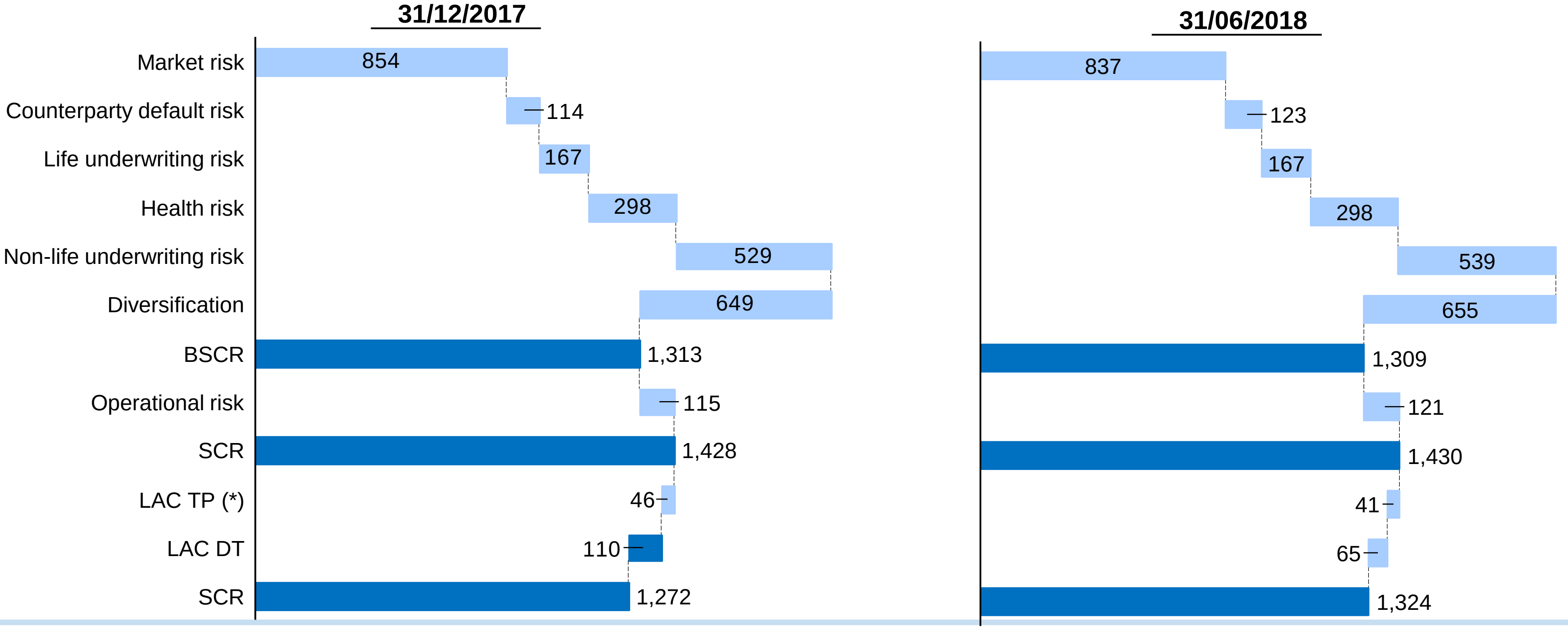
Decomposition of eligible own funds (after dividend)





- **Very high quality capital structure:** unrestricted Tier 1 SCR coverage > 100% as of Q2 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, 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)

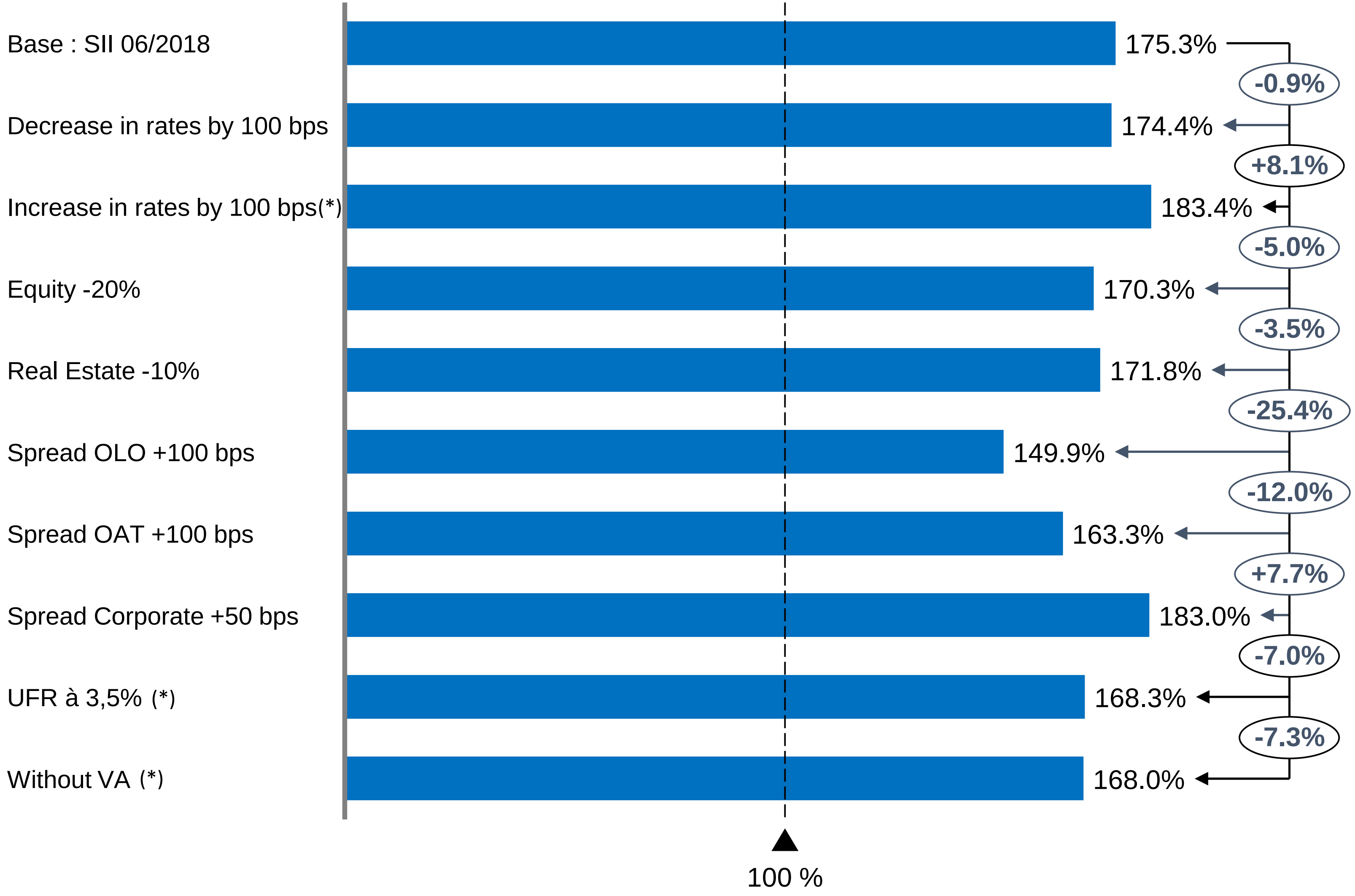


- Decrease in market risk mainly related to the decrease in SCR equity
- Increase in counterparty default risk mainly related to the increase in policyholder debtors due to seasonality
- Increase in Non-Life underwriting risk due to the increase in Non-Life catastrophe SCR (increase in Germany and Netherlands Fire exposure)
- The impact of diversification is higher due to the increase in the Counterparty default risk which is 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)

SOLVENCY II – STRESS TESTS AT END OF JUNE 2018

Impact of sensitivity analyses on the Solvency II margin at end of June 2018



- All the results remain above the tolerance limit (160%), with one exception : the OLO + 100bp stress test (149.9%), due to the concentration in the Belgian govies
- A reduction of the OLO spread sensitivity has been implemented and is also underway (forward sales). This program bears its fruit as the impact of the OLO + 100bp stress test was -34.5% as per end of December 2017 vs -25.4% as per end of June 2018
- The main sensitivities have decreased compared to the one as per end of December 2017

(*) : the impact mentioned is the one on the SII margin as per end of December 2017 (no computation update as per end of June 2018)

AGENDA

- Key Q2 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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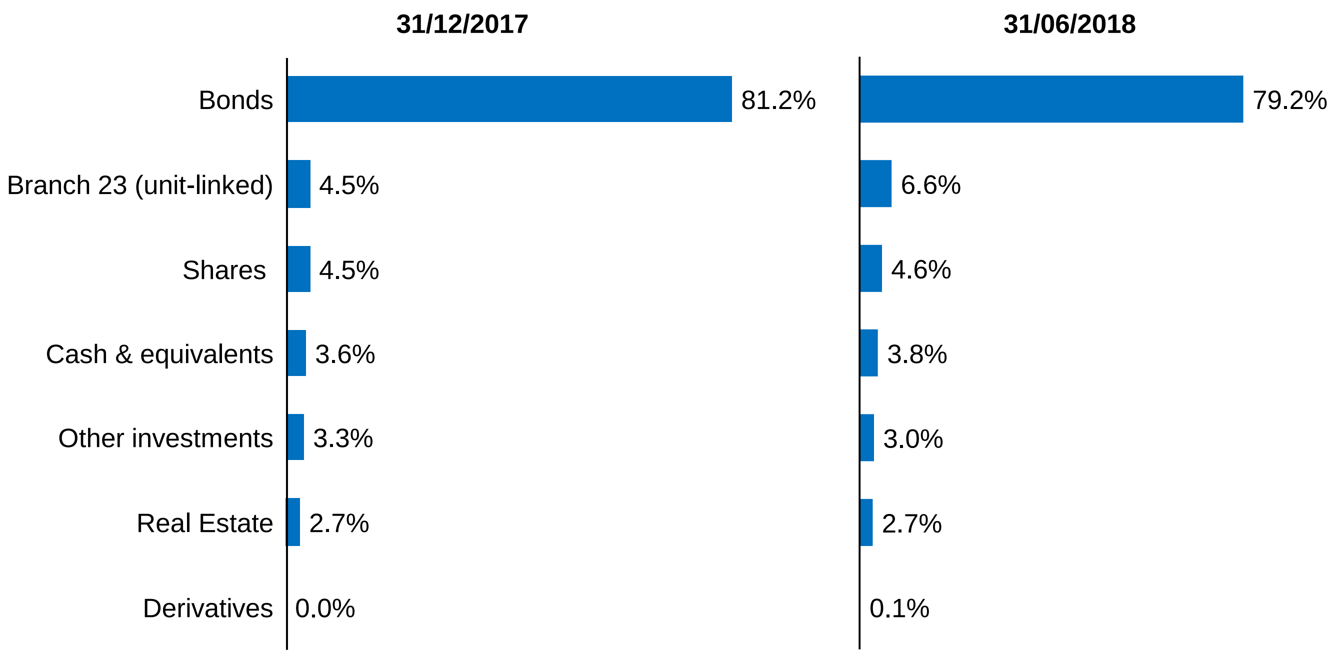
TOTAL INVESTMENT PORTFOLIO AS OF 30 JUNE 2018

Total investment portfolio by asset class

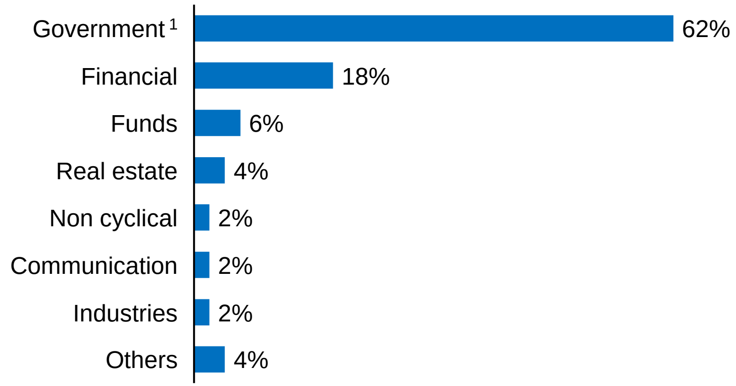


Asset class (€M) – June 2018	IFRS value
Bonds	14,097
a/w Government bonds	*8,594*
Branch 23 (unit-linked)	1,176
Shares (incl. funds & participations)	826
Cash & cash equivalents	669
Other investments	531
Real Estate	476
Derivatives	24
Total	**17,799**

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

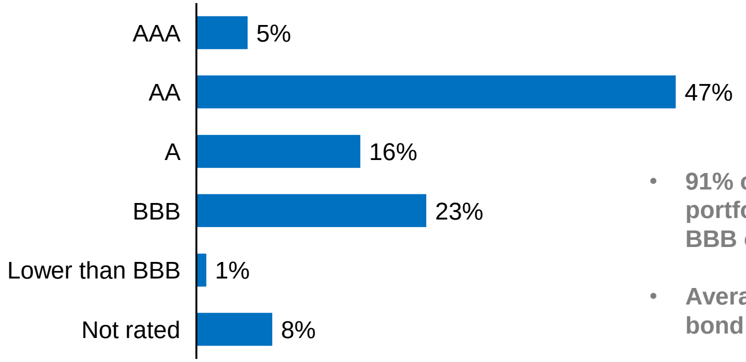
TOTAL INVESTMENT PORTFOLIO AS OF 30 JUNE 2018

Bond portfolio by sector



Total Q2 2018 IFRS value = €14,097M

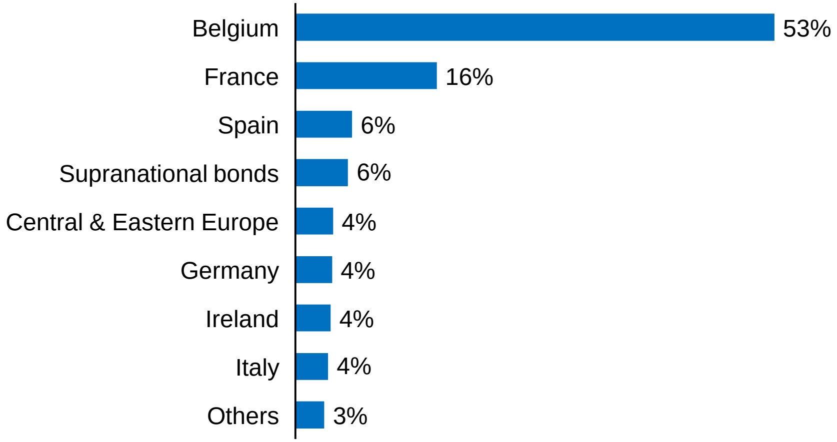
Bond portfolio by rating



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

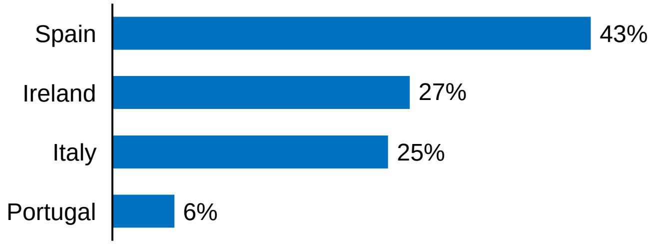
Total Q2 2018 IFRS value = €14,097M

Government bond portfolio by country



Total Q2 2018 IFRS value = €8,594M

PIIGS exposure

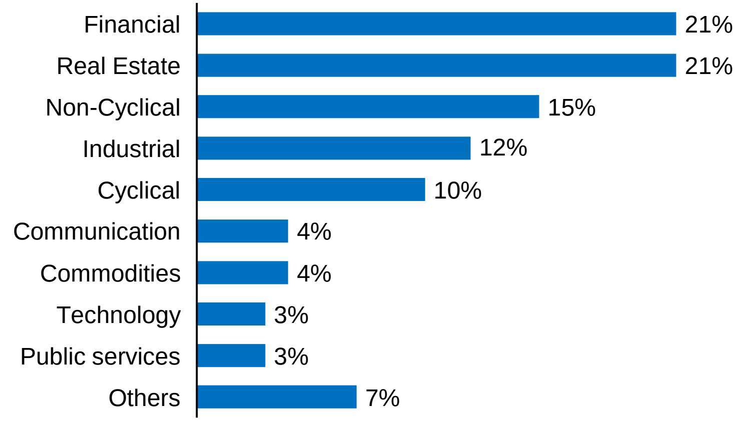


Total Q2 2018 IFRS value = €1,260M

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

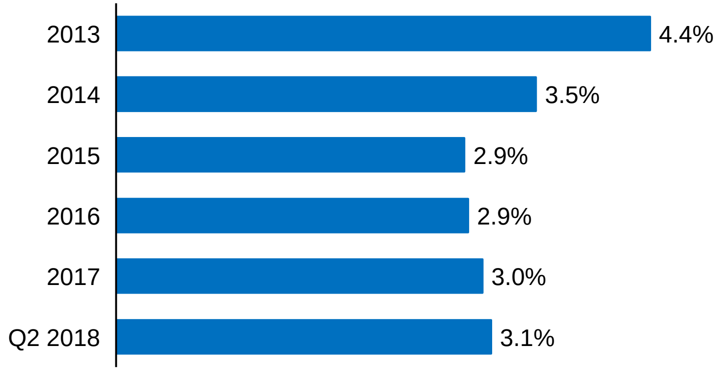
SHARES (INCL. FUNDS) AND REAL ESTATE PORTFOLIO AS OF 30 JUNE 2018

Shares (incl. funds & participations) by sector

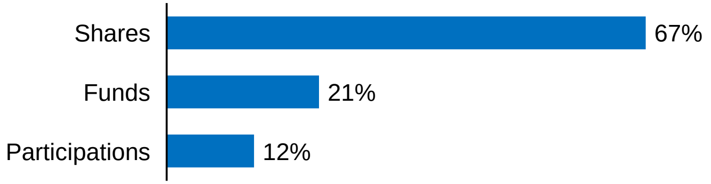


Total Q2 2018 IFRS value = €826M

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

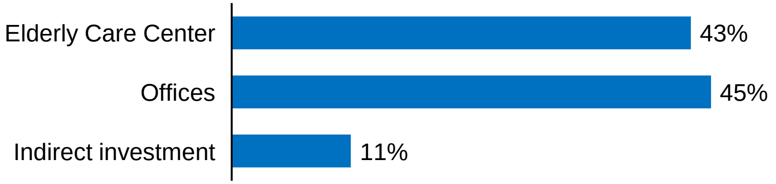


Shares (incl. funds & participations) by asset class



Total Q2 2018 IFRS value = €826M

Direct real estate by nature



Total Q2 2018 IFRS value = €476M

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

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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."

ethias

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Consolidated balance sheet (IFRS)

	2013	2014	2015	2016	2017	Q2 2018
Assets						
Goodwill	29	30	45	45	60	62
Other intangible assets	13	14	46	94	113	122
Properties and other fixed assets	133	132	136	140	145	136
Investments in associates	25	21	0	1	1	1
Investments properties	357	391	433	495	488	476
Financial investments	16.773	17.310	15.912	15.948	16.696	16.654
Reinsurers' share of insurance liabilities	141	114	134	122	132	156
Deferred tax assets	126	279	170	74	0	0
Receivables arising from insurance operations or accepted reinsurance	1.226	1.269	1.291	1.344	212	266
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	668
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**	**18.801**
Liabilities						
Share capital	*1.000*	*1.000*	*1.000*	*1.000*	*1.000*	*1.000*
Reserves and retained earnings	*249*	*574*	*-31*	*557*	*936*	*932*
Net profit (loss) of the period	*325*	*-604*	*633*	*424*	*158*	*74*
Other items of comprehensive income	*170*	*177*	*233*	*276*	*381*	*349*
Equity of the Group	**1.744**	**1.146**	**1.835**	**2.257**	**2.475**	**2.355**
Non-controlling interests	42	52	34	48	46	43
Total equity	**1.786**	**1.198**	**1.869**	**2.305**	**2.521**	**2.398**
Insurance contract liabilities	*8.136*	*8.530*	*8.607*	*8.541*	*8.612*	*8.601*
Investment contract liabilities with discretionary participation features	*9.470*	*10.279*	*7.351*	*6.197*	*4.946*	*4.916*
Investment contract liabilities without discretionary participation featu	*0*	*4*	*4*	*4*	*4*	*4*
Liabilities belonging to unit-linked insurance contracts	*477*	*416*	*359*	*408*	*811*	*1.176*
Profit sharing liabilities	*13*	*21*	*38*	*24*	*34*	*2*
Insurance and investment contract liabilities	**18.096**	**19.250**	**16.359**	**15.174**	**14.407**	**14.699**
Subordinated debts	322	322	454	454	479	473
Other financial debts	42	46	56	387	403	228
Employee benefits	537	603	502	535	286	281
Provisions	149	119	63	30	150	173
Derivative financial instruments	0	0	20	8	5	19
Tax payables	35	39	49	52	30	76
Deferred tax liabilities	4	4	0	21	34	27
Liabilities from operating activities	186	208	216	227	232	239
Other liabilities	218	214	259	306	208	188
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**	**16.403**
Total liabilities	**21.380**	**22.007**	**19.847**	**19.499**	**18.755**	**18.801**

ethias

Consolidated income statement (IFRS)

(in €M)	2013	2014	2015	2016	2017	Q2 2017	Q2 2018
Gross premiums	2.692	2.376	2.444	2.406	2.440	1406	1.538
Premiums ceded to reinsurers	-72	-41	-38	-37	-31	-32	-38
Change in the provision for unearned premiums and outstanding risks[1]	-12	-15	-7	-17	-2	-189	-191
Other income from insurance activities	3	4	5	5	5	3	3
Revenues from insurance activities[1]	**2.611**	**2.324**	**2.404**	**2.357**	**2.412**	**1.188**	**1.312**
Revenues from other activities	163	173	199	384	259	130	139
Revenues	**2.775**	**2.497**	**2.603**	**2.741**	**2.671**	**1.318**	**1.451**
Investment income	658	621	624	646	479	253	218
Net realized gains or losses on investments	33	120	34	62	85	34	61
Change in fair value of investment through profit or loss[2]	82	22	26	-2	44	26	-33
Net financial income	**773**	**764**	**684**	**706**	**608**	**313**	**246**
Net revenues	**3.548**	**3.261**	**3.287**	**3.447**	**3.279**	**1.631**	**1.697**
Benefits and claims	2.633	3.185	2.137	2.326	2.274	970	1.257
Net expenses or revenues ceded to reinsurers	-26	-15	-48	-15	-7	-3	-12
Management costs[3]	281	285	258	274	287	159	174
Technical expenses for insurance activities	**2.887**	**3.455**	**2.347**	**2.585**	**2.554**	**1.126**	**1.418**
Expenses for other activities	175	542	201	306	425	237	141
Operating expenses	**3.062**	**3.997**	**2.548**	**2.891**	**2.979**	**1.363**	**1.560**
Change in depreciation and amortization on investments (net)	25	23	41	-10	10	2	8
Other investment financial expenses	83	-11	-45	14	15	7	7
Finance costs	18	18	20	30	30	15	15
Financial expenses	**126**	30	**16**	**34**	**55**	**24**	**30**
Net expenses	**3.188**	**4.027**	**2.563**	**2.925**	**3.034**	**1.387**	**1.590**
Goodwill impairment							
Net profit (loss) before tax	**360**	**-766**	**724**	**522**	**245**	**244**	**107**
Income taxes	-30	167	-87	-98	-84	-103	-29
Net profit (loss) after tax	**330**	**-599**	**637**	**424**	**161**	**141**	**78**
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**	**141**	**78**
Owners of the parent	325	-604	633	424	158	140	74
Non-controlling interests	5	6	5	0	3	1	4

[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

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Investor Relations

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