INTERIM REPORT ON 30 JUNE 2017

Ethias Group

Report produced in accordance with *International Financial Reporting Standards (IFRS)*

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INTRODUCTION

The quarterly 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.

KEY FIGURES

Essential data of the consolidated income statement

In thousands of EUR	30 June 2017	30 June 2016	Change during the year
Non-Life			
Public bodies and Companies	563,556	552,412	2.02%
Private Individuals	299,809	297,914	0.64%
Premium collection Non-Life	**863,365**	**850,325**	**1.53%**
Life			
Public bodies and Companies	516,424	541,412	-4.62%
Private Individuals	26,395	22,360	18.05%
Premium collection Life	**542,819**	**563,772**	**-3.72%**
Total premium collection Life and Non-Life	**1,406,184**	**1,414,097**	**-0.56%**
Consolidated revenues	**1,318,146**	**1,412,095**	**-6.65%**
Net profit (loss) on current transactions after tax	140,796	260,273	
Share of the associates in the result	(7)	-	
Net profit (loss) after tax of the available-for-sale companies and of the discontinued operations	-	-	
Net consolidated profit (loss) attributable to:	**140,789**	**260,273**	
Owners of the parent	140,293	258,460	
Non-controlling interests	496	1,813	

Essential data of the consolidated financial position

In thousands of EUR	30 June 2017	31 December 2016	Change
Total assets	19,292,398	19,498,621	-1.06%
Equity of the Group	**2,318,945**	**2,257,379**	**2.73%**
Non-controlling interests	43,290	47,502	-8.87%

Regulatory coefficients

	30 June 2017	31 December 2016	Change
Solvency II ratio (*) of the company Ethias SA	**180.17% (**)**	**144.9% (**)**	**24.34%**

(*): The calculation of the SII margin is performed using the standard formula without taking into account the impact of the transitional measure on technical provisions.

(**): non audited.

Other key figures

	30 June 2017	31 December 2016	Change
Number of employees	**3,223**	**3,245**	**-0.68%**

MANAGEMENT REPORT

1 The 1st half of 2017 in a number of dates and key facts

1.1 Solvency improvement programme

The major efforts made by the company as a whole have borne fruit and have greatly improved the solvency II margin, which is close to the minimum target of 150 % at end- December 2016 and exceeds it at end-June 2017.

In order to take into account the positive impact of Switch VI on its risk profile, Ethias SA has transmitted to the National Bank of Belgium in February 2017:

- The update of the financial recovery programme, initially submitted to the regulator on September 30, 2016;
- The restoration plan providing for the measures likely to be implemented in the event of a further significant deterioration in the situation of Ethias SA

The financial recovery programme was accepted by the NBB on March 29, 2017. The regulator has indeed confirmed that, given the result of the "Switch VI" operation and its impact on the solvency ratio, there is no more any indication that Ethias would no longer be able to meet the regulatory requirements in terms of required capital. On this basis, the Bank has considered that the implemented financial recovery programme has borne fruit and could be considered as closed. Furthermore, considering the changes made to the company's risk profile following the "Switch VI" operation, the Bank has asked Ethias SA to provide an updated version of the restoration plan by November 30, 2017.

1.2 Fitch Rating

Following the success of the "Switch VI" operation, the rating agency Fitch placed on 10 January 2017 the rating for financial strength of Ethias SA at BBB, with positive outlook. Fitch has recognized the improvement in Ethias' capital position and the reduction in its sensitivity to interest rates.

On June 27, 2017, Fitch raised the rating for financial strength to BBB+ with stable outlook so as to reflect the closure of the financial recovery programme.

1.3 Integration of Whestia

In the course of March 2017, The NBB agreed on the disposal of the shares of the company Whestia to Ethias SA, which already holds 25.10 % of the company's capital and becomes the sole shareholder of Whestia at the end of the transaction. The closing involving the transfer of the shares and the payment of the transfer price took place on April 3, 2017. The merger by absorption of Whestia by Ethias took place on June 23, 2017.

1.4 Closing of the commitments towards to the European Commission

The commitments of Ethias towards the European Commission in the frame of the state aid file following the recapitalization of the company by the public authorities at the end of 2008 expired on 31 December 2016.

The closure of the commitments was officially confirmed by the Commission to the Belgian State on June 30, 2017.

1.5 Signing of an agreement with the shareholders in May 2017

The shareholders wished to provide 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.

This decision is part of a global agreement, comprising mainly the following elements:

- The objective of simplifying our legal structures;
- Strengthening our corporate governance;
- The reaffirmed willingness to maintain the two company offices (Liège and Hasselt) and to preserve the quality of the social relations that characterize the company.

1.6 "Switch VII" operation

Ethias wishes to permanently dispose of its “FIRST A” portfolio and has decided, to that end, to favour the approach of selling the portfolio to a foreign insurer. If this sale is carried out, it will have no effect on the terms and conditions of the insurance contracts concerned. However, in the event of a transfer to an insurer in the European Economic Area, these contracts will lose the protection of up to EUR 100,000 granted by the Belgian Guarantee Fund.

In order to anticipate the reactions of the policyholders who might have benefited from the Switch VI action if they had become aware of this sale, Ethias has decided to reiterate this action, by proposing again, within the framework of a "Switch VII" action taking place from May 29 to July 7, 2017, an exit premium equivalent to 25% of the mathematical reserve upon full surrender.

This operation was also a major success, with surrenders amounting to EUR 430 million for a gross cost of EUR 107 million. These surrenders have contributed to a significant improvement in the SII margin at end-June 2017.

In addition, Ethias has anticipated the cost of selling the remaining « FIRST A » portfolio and has thus recorded an estimated expense of EUR 95 million.

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

In June 2017, Ethias SA began the process of acquiring (in cash) the insurance portfolio “work accidents public sector” of Ethias DC (Mutual Insurance Association).

The acquisition will result in the termination of the service and reinsurance agreements between Ethias SA and Ethias Droit Commun.

In the future, Ethias Droit Commun will see a transformation of its legal form in order to function as a cooperative company. Its core activity will be the holding of participating interests, with Vitrufin SA being the main one. It will no longer be considered an insurance company.

The completion of the acquisition of the portfolio is currently planned for the second half of 2017.

Through this acquisition, Ethias SA will experience a non-significant increase in its SII solvency margin.

1.8 Distribution of a dividend

At the General Assembly of Ethias SA on May 17, 2017, it was decided to distribute a dividend of EUR 45 million to the parent company Vitrufin.

1.9 Other facts and a number of dates for the first half of 2017

January 10 - Fitch Rating: Positive Outlook

Following the success of the Switch/FIRST operation, the rating agency Fitch updated the position of Ethias. Its rating went from BBB (Positive Watch) to BBB (Positive Outlook). Fitch welcomes the improvement of the company's capital position and the reduction of its sensitivity to interest rates.

February 8 - Public bodies appreciate the identity and anchorage of Ethias

Ethias has conducted surveys amongst a representative sample of its insured in the Public and Social Profit Sectors. The results show that 98% of these insurants are satisfied with Ethias. The majority of the respondents consider Ethias to be an easy-to-access, solution-oriented insurer providing an efficient service. The insurants also highlight and appreciate the company's Belgian identity and anchorage.

February 15 - Launch of the new website for Public Bodies & Companies

Ethias has launched its new website for all its B2B customers: the public sector, the social profit sector and the private sector.

Ethias launches Cyber Protection, an insurance covering both civil liability (CL) and data protection following a cyberattack.

March 6 - Ethias extends AssurPharma to claims management in the event of an occupational accident. **Ethias is the first insurer** to offer its insurants, in the context of occupational accidents, the possibility of **electronic transmission for pharmaceutical costs**.

March 8 - Ethias launches on social networks

A unique opportunity to position its brand and to connect with the insured on Facebook, YouTube, Twitter and LinkedIn.

March 9 - Ethias 2.0 or how to develop the organizational model by means of a transformation plan

The objectives of this transformation plan: strengthening the relevance of the Business Model as well as the anchorage in the market and solving the resource challenge.

March 10 - Ethias launches the web series "*Avec François, c'est pas chinois !*"

Its goal ? Demystifying the world of insurance. Its content is educational and fun. The video capsules are based on the humorous style of "YouTubers" while keeping an eye on the information content.

March 20 - New CEO

The Board of Directors of Ethias S.A. has appointed Mr Philippe Lallemand as CEO.

March 29 - The National Bank of Belgium (NBB) considers that the financial recovery programme implemented by Ethias SA has borne fruit and can therefore be considered as closed.

April 26 - Ethias wins two Decavi Insurance Awards: one for its **Family Insurance** and the other one for its **Tenant Insurance**.

May 15 - Shareholders enter into an agreement to stabilize 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 stakeholders and at the service of its clients.

May 29 - Ethias has initiated the necessary steps to sell its "FIRST" life insurance portfolio (first-generation contracts). Within this framework, Ethias offers its clients an exit premium of 25%.

Ethias launches the **"Guaranteed Income" insurance** in case of illness or private accident for contractual and/or statutory civil servants. The employer provides his employees with a supplementary financial compensation in the event of incapacity for work, and this beyond the legal provisions provided for in this regard.

May 30 - Ethias Pension Fund OFP, the pension fund set up by Ethias SA and Ethias Droit Commun, obtains the approval of the FSMA to begin its management activities for statutory and supplementary pension commitments.

June 26 - In order to better meet the needs of its clients, Ethias launches a new online service: **myethias health care.** Through this tool, clients can now view and consult their health care coverage, as well as the ones of family members. They can also easily send expense accounts and other medical expenses, track the status of their reimbursements and take note of our requests for additional information.

June 27 - The rating agency Fitch has raised Ethias' rating to BBB+. It highlights the closure of the financial recovery plan, which has allowed to improve the Solvency II ratio (156.5% at 31 March 2017, coming from 115.7% at end-September 2016).

2 Result of the financial year

Ethias confirms its operational performance thanks to its unique distribution model in Belgium.

The first semester of 2017 records a consolidated profit of EUR 141 million, split between the Non-Life business (EUR 180 million), the Life business (EUR 161 million), the other activities of the Group (EUR -96 million euros) and taxes (EUR -104 million).

3 Information on circumstances which may significantly impact the company's development

3.1 Macroeconomic environment

Ethias suffers, just as all insurers with a Life activity, from the effects of a difficult macroeconomic environment. The low interest rates heavily penalize the profitability of the Life products with a guaranteed interest rate that is higher than the interest rates on government bonds. If the interest rates would remain at this level or even continue to fall, this would have a negative impact on the profitability of the company. Consequently, the company has implemented and will continue to implement actions allowing it to limit its sensitivity to changes in interest rates.

3.2 Regulatory developments

The standard methods, assumptions and parameters used in the calculation of the solvency capital required under the standard formula will be reviewed at the end of 2018. The purpose of this review is to adapt the Solvency II regime to the market developments and to incorporate the practical experience gained during the first years of its application. The European Insurance and Occupational Pensions Authority (EIOPA) launched a consultation with stakeholders in the sector in late 2016 in order to identify the adjustments to be made in the calibration of the SCR in standard formula.

The regulatory uncertainty associated with this revision could significantly impact the Solvency II ratios of the companies.

3.3 Technological developments

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

This includes the acquisition of new IT tools to meet the future needs of our customers and to improve overall performance. These tools will particularly support the deployment of the omnichannel strategy (e-commerce, social media, etc.). This program also includes the modernization of the IT architecture supporting the Non-Life business through the Guidewire application.

To prepare for the integration and use of Guidewire within Ethias, an implementation program called "Century" has started in December 2015. The aim of Century is to make every effort so that Guidewire will be fully operational in 2019. The program also focuses on accompanying measures and training needed to facilitate this transformation. The target is to ensure the first operational roll-out in the course of the 4th quarter of 2017.

4 Events occurring after the closing on 30/06/2017

4.1 Changes in the Management Committee

As part of the implementation of a new organization called “Ethias 2.0”, the responsibilities of the Management Committee were reallocated, resulting in the following changes: Mr. Benoît Verwilghen has taken over, as Vice CEO, the management of the “Clients Center”, grouping all client-driven activities for the Public/Corporate Sector and Private Individuals, Ms. Cécile Flandre was appointed as CFO, and Mr. Luc Kranzen has taken over the management of the “Service Center”, grouping all service-oriented activities for the Public/Corporate Sector and Private Individuals.

CONSOLIDATED FINANCIAL STATEMENTS

In order to ensure consistency between the valuation method used in Solvency II and the valuation method used in IFRS, we have included, in IFRS, the “Accrued Interests Not Yet Due” in the value of the corresponding asset or liability.

In order to improve the comparability of information between periods, we present in this Consolidated Financial Statement a third statement of financial position as at the beginning of the previous period, as required by IAS 1 § 40-44.

In several other financial statements, we also present the restated previous period in order to facilitate comparability of the two periods.

In Statement 1 "Consolidated Balance Sheet", compared to the publication of December 31, 2016, the “Accrued Interests Not Yet Due” (EUR 227 million), which were included under "Other assets", have been reclassified under the headings "Available-for-sale financial assets" for EUR 215 million, at the level of the heading "Financial assets at fair value through profit or loss" for EUR 9 million and at the level of the heading "Loans, deposits and other financial investments recognized at amortized cost” for EUR 3 million.

On the liabilities side, the “Accrued Interests Not Yet Due” (EUR 21.8 million), which were included under "Other liabilities", have been reclassified under the headings "Subordinated debts" for EUR 21.9 million and at the level of the heading “Other financial debts” for EUR -0,1 million (Accrued Interests Not Yet Due on the repos).

For the other financial statements, when this reclassification has an impact on the table presented, you will find the amounts restated at the level of the reference column with the words "restated".

1 Consolidated balance sheet

In thousands of EUR	Notes	30 June 2017	31 December 2016 restated	31 December 2015 restated
Assets				
Goodwill	10.1	**59,844**	**44,762**	**44,762**
Other intangible assets	10.2	**108,129**	**93,797**	**45,965**
Operational buildings and other tangible fixed assets	10.4	**139,009**	**139,648**	**136,517**
Investment in associates		**489**	**496**	**-**
Investment properties	10.4	**497,837**	**495,366**	**432,640**
Financial assets available for sale	10.3	13,753,801	14,203,682	14,053,579
Financial assets at fair value through profit and loss	10.3	850,291	832,850	873,213
Loans, deposits and other financial investments recognized at amortized cost	10.3	626,059	654,864	848,989
Derivative financial instruments	10.3	38,656	75,346	22,986
Investments belonging to unit-linked insurance contracts	10.3	717,380	408,89	359,078
Financial investments		**15,986,187**	**16,175,131**	**16,157,845**
Reinsurers' share of technical provisions		**131,757**	**121,543**	**134,123**
Deferred tax assets	10.7	**334**	**73,764**	**170,096**
Receivables arising from insurance operations or accepted reinsurance	10.5	**1,259,860**	**1,344,241**	**1,291,136**
Receivables arising from ceded reinsurance operations	10.5	**64,481**	**64,359**	**57,001**
Other receivables	10.5	**147,290**	**178,872**	**277,527**
Any other assets		**33,893**	**15,305**	**13,081**
Cash and cash equivalents	10.6	**863,289**	**751,336**	**1,086,762**
Assets available for sale including assets from discontinued operations		**-**	**-**	**-**
Total assets		**19,292,398**	**19,498,621**	**19,847,455**
Liabilities				
Share capital		1,000,000	1,000,000	1,000,000
Reserves and retained earnings		935,539	556,801	(30,726)
Net profit (loss) of the period		140,293	423,907	632,526
Other items of comprehensive income		243,113	276,671	233,041
Equity of the Group		**2,318,945**	**2,257,379**	**1,834,842**
Non-controlling interests		**43,290**	**47,502**	**34,578**
Total equity		**2,362,235**	**2,304,881**	**1,869,420**
Insurance contract liabilities		8,687,276	8,540,857	8,606,896
Investment contract liabilities with discretionary participation features		5,480,966	6,196,708	7,351,547
Investment contract liabilities without discretionary participation features		3,789	3,894	3,904
Liabilities belonging to unit-linked insurance contracts		717,380	408,89	359,078
Profit sharing liabilities		1,994	24,070	37,796
Insurance and investment contract liabilities	10.8	**14,891,405**	**15,173,917**	**16,359,222**
Subordinated debts	10.9	**470,027**	**475,774**	**466,417**
Other financial debts	10.9	**260,916**	**387,102**	**56,095**
Employee benefits	10.10	**532,549**	**534,863**	**502,129**
Provisions		**121,780**	**29,796**	**62,799**
Derivative financial instruments		**19,792**	**8,014**	**19,958**
Tax payables	10.11	**69,303**	**52,168**	**49,168**
Deferred tax liabilities	10.7	**31,698**	**21,534**	**59**
Liabilities from operating activities	10.11	**228,984**	**226,556**	**215,463**
Other payables	10.11	**303,709**	**284,016**	**246,724**
Liabilities related to assets available for sale and discontinued operations		**-**	**-**	**-**
Total other liabilities		**16,930,163**	**17,193,740**	**17,978,035**
Total liabilities		**19,292,398**	**19,498,621**	**19,847,455**

The statements and notes 1 to 12 form an integral part of the consolidated financial IFRS statements as at 30 June 2017.

2 Consolidated income statement

In thousands of EUR	Notes	30 June 2017	30 June 2016
Gross premiums	11.1	1,406,184	1,414,097
Premiums ceded to reinsurers		(32,287)	(37,091)
Change in the provision for unearned premiums and outstanding risks [(a)]		(189,222)	(195,809)
Other income from insurance activities		2,949	3,036
Revenues from insurance activities [(a)]	11.1	**1,187,624**	**1,184,234**
Revenues from other activities		130,523	227,861
Revenues		**1,318,146**	**1,412,095**
Net revenues from investments		252,401	374,656
Net realized gains or losses on investments		34,217	(3,714)
Change in fair value of investments through profit and loss [(b)]		26,332	(8,685)
Net financial income		**312,950**	**362,257**
NET REVENUES		**1,631,096**	**1,774,352**
Insurance service expenses		969,931	1,240,463
Net expenses or revenues ceded to reinsurers		(2,968)	(11,671)
Management costs [(c)]		159,015	152,515
Technical expenses for insurance activities	11.2	**1,125,978**	**1,381,307**
Expenses for other activities		236,603	130,398
Operating expenses		**1,362,581**	**1,511,705**
Change in depreciation and amortization on investments (net)	11.3	1,605	(16,737)
Other investment financial expenses	11.3	7,410	5,417
Finance costs		15,059	14,995
Financial expenses		**24,075**	**3,674**
NET EXPENSES		**1,386,656**	**1,515,379**
Goodwill impairment		-	-
NET PROFIT (LOSS) BEFORE TAX		**244,440**	**258,973**
Income taxes		(103,644)	1,300
NET PROFIT (LOSS) AFTER TAX		**140,796**	**260,273**
Share of the associates in the result		(7)	-
Net profit (loss) from discontinued operations		-	-
Net consolidated profit (loss) attributable to:		**140,789**	**260,273**
Owners of the parent		140,293	258,460
Non-controlling interests		496	1,813

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.

3 Statement of consolidated comprehensive income

In thousands of EUR	30 June 2017	30 June 2016
NET CONSOLIDATED PROFIT (LOSS)	**140,789**	**260,273**
Actuarial gains and losses on defined benefit pension liabilities	19,096	(47,198)
Tax on other items that will not be subsequently reclassified to the net profit (loss)	(6,491)	16,043
Items that will not be subsequently reclassified to the net profit (loss)	**12,605**	**(31,155)**
Change in fair value of financial assets available for sale	(19,796)	6,908
Change in fair value of derivative instruments designated as cash flow hedges	(53,901)	208,780
Tax on other items of comprehensive income that will be subsequently reclassified to the net profit (loss)	27,533	(81,712)
Items that could be subsequently reclassified to the net profit (loss)	**(46,164)**	**133,977**
TOTAL OF OTHER ITEMS OF COMPREHENSIVE INCOME OF THE FINANCIAL YEAR	**(33,558)**	**102,821**
NET CONSOLIDATED COMPREHENSIVE INCOME ATTRIBUTABLE TO:	**107,231**	**363,095**
Owners of the parent	106,735	361,282
Non-controlling interests	496	1,813

4 Consolidated cash flows statement

In thousands of EUR	Notes	30 June 2017	30 June 2016 restated
Net profit (loss) before tax (Total 1)		**244,440**	**258,973**
Depreciations and impairments on intangible and tangible assets	10.2, 10.4	16,478	12,342
Change in depreciations on financial instruments and investment properties	10.3, 10.4, 11.3	1,605	(16,737)
Change in fair value on investments through profit or loss	10.3, 11.3	(26,332)	8,685
Provisions for risks and expenses, and other liabilities		105,647	(38,632)
Change in provisions of insurance and investments contracts		(69,931)	235,811
Deduction of amounts included in the income statement before tax for inclusion in the actual cash flows		(247,758)	(218,087)
Corrections of the amounts that do not impact cash flows (Total 2)		**(220,291)**	**(16,617)**
Dividends and instalments on earned dividends		16,987	14,564
Earned financial income	11.3	283,673	293,880
Use of provision for employee benefits		(6,642)	(9,614)
Change in current receivables and debts	10.5, 10.11	(16,354)	(11,609)
Change in liabilities from insurance and investments contracts		(1,130)	(28,646)
Tax paid		(3,466)	(160,654)
Other changes (Total 3)		**273,068**	**97,922**
Net cash flows from operating activities (Total 1+2+3)		**297,217**	**340,278**
Shares in subsidiaries, net of acquired cash in hand	6.5.1	(490)	(23,281)
Acquisition of financial assets and investment properties	10.3, 10.4	(1,432,949)	(1,226,658)
Acquisition of intangible and tangible fixed assets	10.2, 10.4	(30,362)	(36,211)
Disposals of shares in subsidiaries, net of transferred cash	6.5.2	(408)	-
Disposals of financial assets and investment properties	10.3, 10.4	1,461,193	1,089,166
Disposals of intangible and tangible fixed assets	10.2, 10.4	3,066	231
Net cash flows from investing activities		**51**	**(196,754)**
Subscription to capital increase		-	-
Capital refund		-	-
Dividends paid by the parent company		(45,000)	(45,000)
Dividends paid to third parties		(4,386)	(4,954)
Issues of financial liabilities	10.9	13,999	3,493
Refund of financial liabilities	10.9	7,186	(23,170)
Interests paid on financial liabilities		(20,827)	(10,992)
Net cash flows from financing activities		**(49,028)**	**(80,623)**
Total cash flows		**248,240**	**62,901**
Cash or cash equivalents at the beginning of the period	10.6	**415,012**	**1,067,202**
Cash or cash equivalents at the end of the period	10.6	**666,299**	**1,130,091**
Change in the cash accounts		248,240	62,901
Impacts of exchange rate differences of foreign currency and of other transactions		3,024	(15)
Changes in accrued interests not yet due on cash equivalents		22	3
Change in cash		**251,286**	**62,889**

5 Consolidated statement of changes in equity

	30 June 2017						
In thousands of EUR	Subscribed capital	Result carried forward	Financial assets available for sale	Others	Equity of the Group	Non-controlling interests	Total equity
Equity as of 1 January	**1,000,000**	**980,708**	**211,085**	**65,586**	**2,257,379**	**47,502**	**2,304,881**
Net consolidated profit (loss) attributable to:	-	140,293	-	-	140,293	496	140,789
Total of other items of comprehensive income	-	-	(10,584)	(22,975)	(33,558)	-	(33,558)
Net consolidated comprehensive income	-	**140,293**	**(10,584)**	**(22,975)**	**106,735**	**496**	**107,231**
Capital movements	-	-	-	-	-	-	-
Dividends	-	(45,000)	-	-	(45,000)	(4,386)	(49,386)
Change in the consolidation scope	-	(169)	-	-	(169)	(321)	(490)
Other movements	-	-	-	-	-	-	-
Equity as of 30 June	**1,000,000**	**1,075,832**	**200,502**	**42,611**	**2,318,945**	**43,290**	**2,362,235**

	30 June 2016						
In thousands of EUR	Subscribed capital	Result carried forward	Financial assets available for sale	Others	Equity of the Group	Non-controlling interests	Total equity
Equity as of 1 January	**1,000,000**	**601,801**	**247,307**	**(14,265)**	**1,834,842**	**34,578**	**1,869,420**
Net consolidated profit (loss) attributable to:	-	258,460	-	-	258,460	1,813	260,273
Total of other items of comprehensive income	-	-	(3,839)	106,660	102,821	-	102,821
Net consolidated comprehensive income	-	**258,460**	**(3,839)**	**106,660**	**361,282**	**1,813**	**363,095**
Capital movements	-	-	-	-	-	-	-
Dividends	-	(45,000)	-	-	(45,000)	(4,954)	(49,954)
Change in the consolidation scope	-	-	-	-	-	24,203	24,203
Other movements	-	-	-	-	-	(44)	(44)
Equity as of 30 June	**1,000,000**	**815,261**	**243,468**	**92,395**	**2,151,124**	**55,595**	**2,206,720**

Amounts are disclosed net of taxes.

The column "Financial assets available for sale" shows the change in unrealized gains or losses less the shadow accounting adjustments recognized in the other comprehensive income taxes.

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

At the General Assembly of Ethias SA on May 17, 2017, it was decided to distribute a dividend of EUR 45 million to the parent company Vitrufin. The dividends distributed for an amount of EUR 4,386 thousand (compared to EUR 4,954 thousand on 31 March 2016) mainly consist of dividends distributed outside of the Group by the NRB subgroup.

6 General information

6.1 The Group

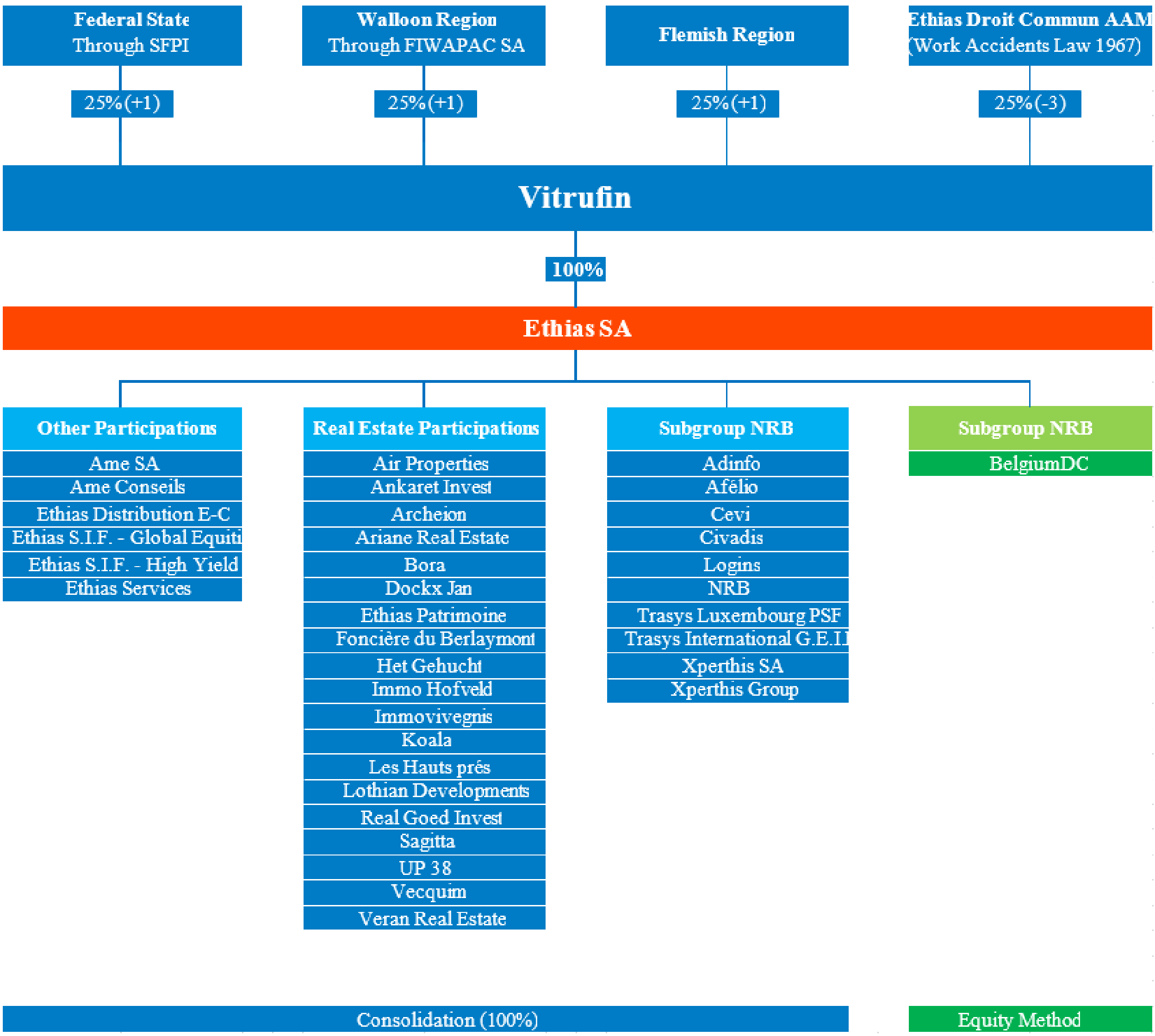
Ethias SA is the consolidating company of the Ethias Group.

Ethias SA is an insurance company licensed under number 0196 to practise all non-life insurance branches, life insurances, dowry and birth insurances (Royal Decree of 4 and 13 July 1979, Belgian Statue Book of 14 July 1979) as well as capitalisation activities (Belgian Statue Book of 16 January 2007).

Ethias SA is a limited liability company founded in Belgium with corporate registration number 0404.484.654. Its registered office is located in 4000 Liège, rue des Croisiers 24.

The Group employs 3.223 people on 30 June 2017 compared to 3.245 on 31 December 2016.

Its legal structure is as follows:



6.2 Consolidation scope

6.2.1 List of the consolidated subsidiaries

	30 June 2017					31 December 2016		
	Country	Sector	Currency	Integration percentage	Control percentage	Integration percentage	Control percentage	Change in scope
Consolidating company:								
Ethias SA	Belgium	Insurance	EUR	100.00%	100.00%	100.00%	100.00%	
Consolidated companies with 100 % consolidation:								
Ame SA	Belgium	Holding	EUR	100.00%	100.00%	100.00%	100.00%	
Ame Conseils	Luxembourg	Other	EUR	100.00%	100.00%	100.00%	100.00%	
Ethias Distribution E-C	Belgium	Other	EUR	100.00%	100.00%	100.00%	100.00%	
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%	
Air Properties	Belgium	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	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%	Change of name
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%	
Immovivegnis	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%	
Real Property Invest	Belgium	Real estate	EUR	0.00%	0.00%	100.00%	100.00%	Absorbed by Real Goed Invest
Sagitta	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Sire Holding	Belgium	Real estate	EUR	0.00%	0.00%	100.00%	100.00%	Deconsolidation
UP 38	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Vecquim	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%	
Adinfo	Belgium	IT	EUR	34.88%	51.00%	34.88%	51.00%	
Afelio	Belgium	IT	EUR	68.39%	100.00%	51.36%	75.10%	Change in percentage of ownership
Cevi	Belgium	IT	EUR	34.88%	100.00%	34.88%	100.00%	
Ciges	Belgium	IT	EUR	0.00%	0.00%	37.61%	100.00%	Absorbed by Xperthis
Civadis	Belgium	IT	EUR	34.88%	100.00%	34.88%	100.00%	
Logins	Belgium	IT	EUR	34.88%	100.00%	34.88%	100.00%	
NRB	Belgium	IT	EUR	68.39%	68.39%	68.39%	68.39%	
Trasys Group	Belgium	IT	EUR	0.00%	0.00%	68.39%	100.00%	Absorbed by NRB
Trasys SA	Belgium	IT	EUR	0.00%	0.00%	68.39%	100.00%	Absorbed by NRB
Trasys International G.E.I.E.	Belgium	IT	EUR	68.39%	100.00%	68.39%	100.00%	
Trasys Luxembourg PSF	Luxembourg	IT	EUR	68.39%	100.00%	68.39%	100.00%	

Trasys Technology	Belgium	IT	EUR	0.00%	0.00%	68.39%	100.00%	Absorbed by NRB
Xperthis (former Xtenso)	Belgium	IT	EUR	37.61%	100.00%	37.61%	100.00%	
Xperthis Group	Belgium	IT	EUR	37.61%	55.00%	37.61%	55.00%	
Associates and equity method:								
BelgiumDC	Belgium	IT	EUR	34.19%	50.00%	34.19%	50.00%	

6.2.2 List of the non-consolidated subsidiaries

	30 June 2017				31 December 2016	
	Country	**Sector**	**Currency**	**Percentage of ownership**	**Percentage of ownership**	**Change in scope**
Assurcard	Belgium	Insurance	EUR	20.00%	20.00%	
Aviabel	Belgium	Insurance	EUR	0.00%	24.70%	Cession
Whestia	Belgium	Insurance	EUR	0.00%	25.10%	Absorbed by Ethias SA
BC Meetjesland-Maldegem	Belgium	Other	EUR	27.58%	27.58%	
BC Regio Geraardsbergen	Belgium	Other	EUR	27.12%	27.12%	
Epimède	Belgium	Other	EUR	20.00%	20.00%	
L'Ouvrier Chez Lui	Belgium	Other	EUR	63.58%	63.58%	
Palais des Expositions de Charleroi s.c.	Belgium	Other	EUR	23.04%	23.04%	
NEB Participations (former Ecetia Participations)	Belgium	Other	EUR	29.43%	29.43%	
Ariane Building	Belgium	Real estate	EUR	25.00%	25.00%	
Cerep Loi 1	Belgium	Real estate	EUR	35.00%	35.00%	
NEB Foncière (former Ecetia Immobilier)	Belgium	Real estate	EUR	29.41%	29.41%	
Sire Holding	Belgium	Real estate	EUR	100.00%	0.00%	Deconsolidation
Thier sur la Fontaine	Belgium	Real estate	EUR	0.00%	45.00%	Cession
Vital Building	Belgium	Real estate	EUR	50.00%	50.00%	
Skarabee	Belgium	IT	EUR	31.25%	31.25%	

The subsidiaries with a negligible interest towards the consolidated equity of the Group are excluded from the scope. Hence, these entities are not consolidated from the moment that they, collectively or separately, represent less than one percent of the consolidated net assets of the Group.

6.3 Presentation of the NRB subgroup

In accordance with IFRS 12 we present the sub-conso NRB below. This does not take into account certain IFRS adjustments recorded at the level of the parent company (e.g. those related to employee benefits). The part of the NRB subgroup held outside the Ethias Group represents the major part of the non-controlling interests.

6.3.1 Consolidated balance sheet

In thousands of EUR	30 June 2017	31 December 2016
Assets		
Goodwill	**59,313**	**59,313**
Other intangible assets	**16,164**	**17,938**
Operational buildings and other tangible fixed assets	**42,366**	**43,058**
Investment in associates	**489**	**496**
Investment properties	**1,432**	**1,637**
Financial assets available for sale	232	232
Financial assets at fair value through profit and loss	25,889	26,402
Loans, deposits and other financial investments recognized at amortized cost	1,891	1,897
Financial investments	**28,011**	**28,532**
Reinsurers' share of technical provisions	**-**	**-**
Deferred tax assets	**15**	**324**
Receivables arising from insurance operations or accepted reinsurance	**-**	**-**
Receivables arising from ceded reinsurance operations	**-**	**-**
Other receivables	**77,866**	**80,441**
Any other assets	**31,636**	**13,205**
Cash and cash equivalents	**23,318**	**18,666**
Assets available for sale including assets from discontinued operations	**-**	**-**
Total assets	**280,610**	**263,612**
Liabilities		
Share capital	16,837	16,837
Reserves and retained earnings	87,799	84,372
Net profit (loss) of the period	3,167	13,674
Other items of comprehensive income	2	2
Equity of the Group	**107,804**	**114,884**
Non-controlling interests	**14,868**	**16,488**
Total equity	**122,672**	**131,372**
Insurance and investment contract liabilities	**-**	**-**
Subordinated debts	**-**	**-**
Other financial debts	**43,099**	**29,951**
Employee benefits	**6,429**	**6,679**
Provisions	**1,723**	**1,072**
Derivative financial instruments	**-**	**-**
Tax payables	**11,208**	**8,569**
Deferred tax liabilities	**634**	**748**
Liabilities from operating activities	**-**	**-**
Other payables	**94,845**	**85,221**
Liabilities related to assets available for sale and discontinued operations	**-**	**-**
Total other liabilities	**157,938**	**132,240**
Total liabilities	**280,610**	**263,612**

6.3.2 Consolidated income statement

In thousands of EUR	30 June 2017	30 June 2016
Revenues from insurance activities [(a)]	**-**	**-**
Revenues from other activities	141,821	142,432
Revenues	**141,821**	**142,432**
Net revenues from investments	451	426
Net realized gains or losses on investments	33	(215)
Change in fair value of investments through profit and loss [(b)]	301	26
Net financial income	**785**	**237**
NET REVENUES	**142,607**	**142,669**
Insurance service expenses	-	-
Management costs [(c)]	-	-
Technical expenses for insurance activities	**-**	**-**
Expenses for other activities	134,931	133,421
Operating expenses	**134,931**	**133,421**
Change in depreciation and amortization on investments (net)	205	205
Other investment financial expenses	337	270
Finance costs	193	198
Financial expenses	**736**	**673**
NET EXPENSES	**135,667**	**134,094**
Goodwill impairment	-	-
NET PROFIT (LOSS) BEFORE TAX	**6,940**	**8,575**
Income taxes	(3,918)	(3,943)
NET PROFIT (LOSS) AFTER TAX	**3,022**	**4,632**
Share of the associates in the result	(7)	-
Net consolidated profit (loss) attributable to:	**3,015**	**4,632**
Owners of the parent	3,167	4,140
Non-controlling interests	(152)	492

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.

6.3.3 Statement of consolidated comprehensive income

In thousands of EUR	30 June 2017	30 June 2016
NET CONSOLIDATED PROFIT (LOSS)	**3,015**	**4,632**
Actuarial gains and losses on defined benefit pension liabilities	-	-
Other items that will not be subsequently reclassified to the net profit (loss)	-	-
Other items of comprehensive income from companies accounted for using the equity method that will not be subsequently reclassified to the net profit (loss)	-	-
Change in fair value of assets/liabilities available for sale	-	-
Tax on other items that will not be subsequently reclassified to the net profit (loss)	-	-
Items that will not be subsequently reclassified to the net profit (loss)	**-**	**-**
Change in fair value of financial assets available for sale	-	-
Change in fair value of derivative instruments designated as cash flow hedges	-	-
Currency translation adjustments related to foreign activities	-	-
Gains and losses related to associates	-	-
Other gains and losses recognized in other items of comprehensive income	-	-
Other items that will not be subsequently reclassified to the net profit (loss)	-	-
Other items of comprehensive income from companies accounted for using the equity method that will be subsequently reclassified to the net (profit) loss	-	-
Change in fair value of assets/liabilities available for sale	-	-
Tax on other items of comprehensive income that will be subsequently reclassified to the net profit (loss)	-	-
Items that could be subsequently reclassified to the net profit (loss)	**-**	**-**
TOTAL OF OTHER ITEMS OF COMPREHENSIVE INCOME OF THE FINANCIAL YEAR	**-**	**-**
NET CONSOLIDATED COMPREHENSIVE INCOME ATTRIBUTABLE TO:	**3,015**	**4,632**
Owners of the parent	3,167	4,140
Non-controlling interests	(152)	492

6.4 Sector information

In accordance with IFRS 8 "Operating Segments", an entity shall disclose information that enables users of financial statements to evaluate the nature and financial effects of the activities in which the entity engages and the economic environments in which it operates.

The information provided per operating segment is based on internal information regularly used by the management to make decisions for allocating resources and assessing the performance of the segments. 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 (cf. “Management report - 1.3. Integration of Whestia”). Most of the other insurance products are put into run-off. Nevertheless, the Group wishing to offer its customers a comprehensive range of financial products, continues to market the insurance products of Branch 21 - CertiFlex-8 and Rent - in partnership with the insurance company "Integrale".
- 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. The Group 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 and other activities of the Group which primarily come from IT activities, including the design, development and marketing of IT solutions, real estate activities through the Group's real estate SPVs and, finally, financial activities through the SICAV "Ethias Sustainable Investment Fund".

The results of the segments for the years ended on 30 June 2017 and 2016 respectively are detailed below:

		PUBLIC BODIES & COMPANIES	PUBLIC BODIES & COMPANIES	INDIVI-DUALS	INDIVI-DUALS	OTHER	Statutory income statement B-Gaap	ADJUST-MENTS	Consolidated income statement IFRS
In thousands of EUR	Notes	NON-LIFE	LIFE	NON-LIFE	LIFE	NON-TECHNICAL	30 June 2017	Total Adjustments	30 June 2017
Gross premiums	11.1	563,872	562,161	299,493	26,660	-	1,452,186	(46,002)	1,406,184
Premiums ceded to reinsurers	11.1	(12,034)	(2,103)	(3,497)	(5)	-	(17,639)	(14,648)	(32,287)
Change in the provision for unearned premiums and outstanding risks [(a)]		(188,878)	-	(14,992)	-	-	(203,870)	14,648	(189,222)
Other income from insurance activities		201	816	444	1,488	-	2,949	-	2,949
Revenues from insurance activities [(a)]	11.1	**363,162**	**560,874**	**281,448**	**28,143**	**-**	**1,233,626**	**(46,002)**	**1,187,624**
Revenues from other activities		-	-	-	-	200,822	200,822	(70,299)	130,523
Revenues		**363,162**	**560,874**	**281,448**	**28,143**	**200,822**	**1,434,447**	**(116,301)**	**1,318,146**
Net revenues from investments		47,176	184,048	25,486	41,571	13,917	312,197	(59,797)	252,401
Net realized gains or losses on investments		-	-	-	-	4,000	4,000	30,216	34,217
Change in fair value of investments through profit and loss [(b)]		-	-	-	-	5,194	5,194	21,139	26,332
Net financial income	11.3	**47,176**	**184,048**	**25,486**	**41,571**	**23,110**	**321,391**	**(8,441)**	**312,950**
NET REVENUES		**410,338**	**744,921**	**306,934**	**69,713**	**223,932**	**1,755,838**	**(124,742)**	**1,631,096**
Insurance service expenses	11.2	281,808	675,179	155,503	154,753	-	1,267,243	(297,312)	969,931
Net expenses or revenues ceded to reinsurers	11.2	(1,861)	(3,771)	2,663	(3)	-	(2,971)	3	(2,968)
Management costs [(c)]		63,604	38,511	60,984	10,149	-	173,248	(14,234)	159,015
Technical expenses for insurance activities	11.2	**343,551**	**709,918**	**219,151**	**164,900**	**-**	**1,437,521**	**(311,543)**	**1,125,978**
Expenses for other activities		-	-	-	-	305,192	305,192	(68,589)	236,603
Operating expenses		**343,551**	**709,918**	**219,151**	**164,900**	**305,192**	**1,742,713**	**(380,131)**	**1,362,581**
Change in depreciation and amortization on investments (net)	11.3	-	-	-	-	4,347	4,347	(2,742)	1,605
Other investment financial expenses	11.3	-	-	-	-	700	700	6,710	7,410
Finance costs		-	-	-	-	4,511	4,511	10,548	15,059
Financial expenses		**-**	**-**	**-**	**-**	**9,558**	**9,558**	**14,517**	**24,075**
NET EXPENSES		**343,551**	**709,918**	**219,151**	**164,900**	**314,750**	**1,752,271**	**(365,615)**	**1,386,656**
Goodwill impairment		-	-	-	-	-	-	-	-
NET PROFIT (LOSS) BEFORE TAX		**66,786**	**35,003**	**87,783**	**(95,187)**	**(90,818)**	**3,568**	**240,872**	**244,440**
Income taxes		-	-	-	-	(5,918)	(5,918)	(97,726)	(103,644)
Transfer/Charge to untaxed reserves		-	-	-	-	(1,113)	(1,113)	1,113	-
NET PROFIT (LOSS) AFTER TAX		**66,786**	**35,003**	**87,783**	**(95,187)**	**(97,848)**	**(3,463)**	**144,259**	**140,796**
Share of the associates in the result		-	-	-	-	-	-	(7)	(7)
Net profit (loss) from discontinued operations		-	-	-	-	-	-	-	-
Net consolidated profit (loss) attributable to:		**66,786**	**35,003**	**87,783**	**(95,187)**	**(97,848)**	**(3,463)**	**144,252**	**140,789**
Owners of the parent							(3,463)	143,756	140,293
Non-controlling interests								496	496

		PUBLIC BODIES & COMPANIES	PUBLIC BODIES & COMPANIES	INDIVI-DUALS	INDIVI-DUALS	OTHER	Statutory income statement B-Gaap	ADJUST-MENTS	Consolidated income statement IFRS
In thousands of EUR	**Notes**	NON-LIFE	LIFE	NON-LIFE	LIFE	NON-TECHNICAL	**30 June 2016**	Total Adjustments	**30 June 2016**
Gross premiums	11.1	552,412	565,629	297,914	22,620	-	1,438,575	(24,477)	1,414,097
Premiums ceded to reinsurers	11.1	(26,822)	(2,869)	(3,455)	-	-	(33,147)	(3,944)	(37,091)
Change in the provision for unearned premiums and outstanding risks [a]		(181,680)	-	(18,073)	-	-	(199,753)	3,944	(195,809)
Other income from insurance activities		254	918	839	35,661	-	37,672	(34,636)	3,036
Revenues from insurance activities [a]	11.1	**344,163**	**563,678**	**277,225**	**58,281**	**-**	**1,243,347**	**(59,113)**	**1,184,234**
Revenues from other activities		-	-	-	-	393,147	393,147	(165,286)	227,861
Revenues		**344,163**	**563,678**	**277,225**	**58,281**	**393,147**	**1,636,494**	**(224,399)**	**1,412,095**
Net revenues from investments		43,293	159,425	19,022	44,619	14,032	280,391	94,265	374,656
Net realized gains or losses on investments		-	-	-	-	(683)	(683)	(3,031)	(3,714)
Change in fair value of investments through profit and loss [b]		-	-	-	-	(15,491)	(15,491)	6,806	(8,685)
Net financial income	11.3	**43,293**	**159,425**	**19,022**	**44,619**	**(2,142)**	**264,217**	**98,040**	**362,257**
NET REVENUES		**387,456**	**723,103**	**296,247**	**102,900**	**391,005**	**1,900,711**	**(126,359)**	**1,774,352**
Insurance service expenses	11.2	296,430	655,987	171,823	102,477	-	1,226,716	13,746	1,240,463
Net expenses or revenues ceded to reinsurers	11.2	(5,595)	(2,972)	(3,169)	-	-	(11,736)	65	(11,671)
Management costs [c]		58,154	36,174	55,270	6,899	-	156,496	(3,982)	152,515
Technical expenses for insurance activities	11.2	**348,988**	**689,189**	**223,924**	**109,376**	**-**	**1,371,477**	**9,830**	**1,381,307**
Expenses for other activities		-	-	-	-	233,043	233,043	(102,646)	130,398
Operating expenses		**348,988**	**689,189**	**223,924**	**109,376**	**233,043**	**1,604,520**	**(92,816)**	**1,511,705**
Change in depreciation and amortization on investments (net)	11.3	-	-	-	-	3,204	3,204	(19,941)	(16,737)
Other investment financial expenses	11.3	-	-	-	-	995	995	4,421	5,417
Finance costs		-	-	-	-	3,677	3,677	11,317	14,995
Financial expenses		**-**	**-**	**-**	**-**	**7,877**	**7,877**	**(4,202)**	**3,674**
NET EXPENSES		**348,988**	**689,189**	**223,924**	**109,376**	**240,920**	**1,612,397**	**(97,018)**	**1,515,379**
Goodwill impairment		-	-	-	-	-	-	-	-
NET PROFIT (LOSS) BEFORE TAX		**38,468**	**33,915**	**72,322**	**(6,476)**	**150,085**	**288,314**	**(29,341)**	**258,973**
Income taxes		-	-	-	-	(6,403)	(6,403)	7,704	1,300
Transfer/Charge to untaxed reserves		-	-	-	-	-	-	-	-
NET PROFIT (LOSS) AFTER TAX		**38,468**	**33,915**	**72,322**	**(6,476)**	**143,681**	**281,910**	**(21,637)**	**260,273**
Share of the associates in the result		-	-	-	-	-	-	-	-
Net profit (loss) from discontinued operations		-	-	-	-	-	-	-	-
Net consolidated profit (loss) attributable to:		**38,468**	**33,915**	**72,322**	**(6,476)**	**143,681**	**281,910**	**(21,637)**	**260,273**
Owners of the parent							281,910	(23,450)	258,460
Non-controlling interests								1,813	1,813

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.*

Each activity has a segment manager responsible for the implementation of decisions on the allocation of resources and the assessment of performance. 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. Hence, a column was added in the tables above, reconciling 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 have no customers representing a significant part of our income.

6.4.1 Private Individuals

The Non-Life income for Private Individuals amounts to EUR 299.5 million in the 1st half of 2017 and slightly grows compared to the income of EUR 297.9 million in the 1st semester of 2016, observed for all products, except for Health Care.

The net technical-financial balance Non-Life amounts to EUR 87.8 million and increases by EUR 15.5 million compared to the first half of 2016, due to a better claims ratio (mainly in the current year) and non-recurring financial income of EUR 4.5 million.

The Life income for Private Individuals amounts to EUR 26.7 million for the 1st half of 2017 and is mainly limited to the replenishment of existing Life policies.

The net technical-financial balance Life of the 1st semester amounts to EUR -95.2 million in 2017 compared to EUR -6.5 million in 2016. The result of the 1st semester is impacted by the “Switch VII" operation, which takes into account an exit premium of EUR 105.3 million (cf. “Management report - 1.6. "Switch VII" operation).

6.4.2 Public bodies and Companies

The Non-Life income for the Public Bodies & Companies amounts to EUR 563.9 million in the 1st half of 2017. It increases by EUR 11.5 million compared to the income of the 1st half of 2016.

The net technical-financial balance Non-Life amounts to EUR 66.8 million and increases by EUR 28.3 million compared to the 1st half of 2016. This is mainly explained by exceptional elements: EUR 11.7 million on non-recurring financial income and EUR 16.7 million on the technical side (in particular following the calculation of aging provisions and the calibration of legal protection provisions).

The income in Life Public Bodies and Companies amounts to EUR 562.2 million in the 1st half of 2017 and mainly results from the commercialization of Life Insurance products of the 1st and 2nd pillar (respectively pension insurance and group insurance).

The net technical-financial balance Life amounts to EUR 35 million in the 1st half of 2017 compared to EUR 34 million in the 1st half of 2016.

The Life reserves in Public Bodies & Companies amount to nearly EUR 7.7 billion at end-June 2017 for Branch 21.

6.4.3 Adjustments

Are included In terms of adjustments: accounting entries relating to IFRS, eliminations of intercompany transactions and consolidation adjustments.

6.4.3.1 IFRS adjustments

The recognition of IAS 19 decreases Life income by EUR 39.3 million, insurance payments by EUR 5 million and Life technical provisions by EUR 35.6 million; overheads related to the 4 processes and expenses for other activities decrease by EUR 7.1 million. The total impact from IAS 19 thus amounts to EUR +8.4 million.

The recognition of Life technical provisions under IFRS 4 positively impacts the result of EUR 247.2 million. This result is mainly due to reversals of provisions recognized in 2016 for EUR 250.6 million following the update of the adequacy test for Life technical provisions. The cancellation of the provision for equalization and catastrophe amounts to 1.5 million.

The application of IAS 39 decreases the result of the financial instruments by EUR -1 million. This decrease is mainly due to the non-recognition in IFRS of the reversal of a general provision and to the recognition of derivatives. This decrease is offset by the recognition, on a LOCOM basis, of the perpetual bonds in BGAAP (according to article 31, Royal Decree of 17 October 1994).

The cancellation of the goodwill amortization generated during the acquisition of Whestia increases the result by EUR 2.6 million.

IFRS adjustments of subsidiaries amount to EUR +1.5 million and mainly relate to adjustments on formation expenses and revaluations of stocks, funds and bonds

Deferred taxes related to IFRS adjustments impact the income statement by EUR -97.9 million.

The sum of the IFRS adjustments represents a profit of EUR 162.6 million.

6.4.3.2 Consolidation adjustments

Consolidation adjustments consist primarily of an opening difference (EUR +1 million), the elimination of dividends (EUR -18 million), the reversal of value adjustments (EUR +0.2 million) and the impact of the change in capital of the SICAV "Ethias Sustainable Investment Fund" for EUR -1.5 million.

All consolidation adjustments represent an expense of EUR 18.3 million.

6.4.3.3 Eliminations of intercompany transactions

These eliminations are intended to exclude transactions that exist between the different companies of the Group. These eliminations have no impact on the result of the Group.

6.5 Acquisitions and disposals of subsidiaries

These statements represent the acquisitions and disposals of consolidated participating interests.

6.5.1 Acquisitions

In thousands of EUR	30 June 2017	31 December 2016
Intangible assets	-	-
Investment properties	-	76,009
Financial investments	-	-
Reinsurers' share of technical provisions	-	-
Other assets and tangible fixed assets	-	1,178
Cash and cash equivalents	-	-
Insurance and investment contract liabilities	-	-
Financial debts	-	(25,470)
Provisions for risks and expenses	-	-
Other liabilities	-	(4,304)
Identifiable net assets and liabilities acquired	**-**	**47,414**
Goodwill on acquisitions	-	-
Change in cash related to acquisitions from previous financial years	490	622
Non-controlling interests	-	(23,703)
Consideration paid in cash	**490**	**24,333**
Acquired cash in hand	-	-
Net cash flows	**490**	**24,333**

Given its confirmed willingness to invest more in real estate assets, the Group has acquired since 2009 a series of real estate subsidiaries. The Group pursued its real estate policy in 2016 by acquiring 51% of the shares of the company "Air Properties".

For its part, NRB, which aims to become the number one "ICT services provider" for hospitals in Belgium, has started since 2010 a strategy of expansion and growth through the acquisition of various companies. In August 2016, NRB had participated for 50% in the setting-up of the company Belgium DC.

In the first quarter of 2017, NRB acquired 24.90% of Afelio's shares and thus becomes the sole shareholder of the company. There were no other acquisitions during the first half of 2017.

6.5.2 Disposals

In thousands of EUR	30 June 2017	31 December 2016
Intangible assets	-	-
Financial investments	-	-
Reinsurers' share of technical provisions	-	-
Any other assets	-	-
Cash and cash equivalents	408	-
Insurance and investment contract liabilities	-	-
Financial debts	-	-
Provisions for risks and expenses	(400)	-
Other liabilities	(8)	-
Identifiable net assets and liabilities	**-**	**-**
Gain/(loss) on disposals, net of tax	-	-
Net cash received related to disposals without loss of control	-	-
Transferred cash	(408)	-
Net cash flows	**(408)**	**-**

There was no sale in the first half of 2017.

The above amount corresponds to the exit of the company Sire Holding from the scope of consolidation on January 1, 2017.

7 Summary of significant accounting principles

7.1 Basis of preparation of the consolidated financial statements

7.1.1 General principles

IAS 34 is applicable to this quarterly report ending 30 June 2017 as it prescribes the minimum content of an interim financial report as well as the accounting and valuating principles to apply to the full or summarized financial statements of an interim period. Emphasis is placed on the important events, activities, circumstances and transactions that have taken place since the 1st of January 2017, using the same accounting methods as in the yearly financial statements.

This report is prepared for the six months ending 30 June 2017 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.

These interim financial statements, for the period of six months ending 30 June 2017, have been prepared in accordance with IAS 34 "Interim financial reporting".

This interim financial report includes a set of summarized financial statements and a selection of explanatory notes.

The interim financial statements should be read in conjunction with the annual financial statements for the year ending 31 December 2016, which have been prepared in accordance with IFRS.

The consolidated financial statements are prepared on a basis of business continuity. They give an accurate image of the financial situation, the financial performances and the cash flows of the Group, based on relevant, reliable, comparable and understandable information. The accounts are presented in thousands of euros and are rounded to the nearest thousand.

The financial statements are established on the basis of a historical cost approach, except for, in particular, insurance contract assets and liabilities, which are estimated according to methods already applied by the Group in Belgian standards, and for financial instruments estimated at fair value (financial instruments at fair value through profit or loss and available-for-sale financial instruments).

7.1.2 New standards, amendments and interpretations published and adopted since 1 January 2017

The following new standards and interpretations, applicable as from 1 January 2017, had no important incidence on the consolidated accounts of the Group:

- Amendments to IAS 12 - Recognition of deferred tax assets for unrealized losses.
- Amendments to IAS 7 - Disclosure Initiative.
- Annual improvements to IFRS (cycle 2014-2016) relate to the amendments of the following standards:
    - Amendment IFRS 1 impacting IFRS 1, 7 and 10 as well as IAS 19,
    - Amendment IFRS 12,
    - Amendment IFRS 28.

The annual improvements to IFRS (2012-2014) (Official Journal of the European Union of 16 December 2015) have come into force for the annual periods beginning as from 1 January 2016 and relate to IFRS 5 and 7 as well as to IAS 19 and 34. The impact of these amendments to IFRS on our financial statements is limited.

7.1.3 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, with the exception of the amendments to IAS 1 "Presentation of Financial Statements". These amendments are intended to clarify the application of the concept of materiality, by specifying that it applies to financial statements including the notes and that the inclusion of immaterial information can be detrimental to their understanding. In addition, the amendments recommend the application of professional judgment when an entity determines the order in which it presents the information in the notes.

Furthermore, the Group has made an analysis of the standards and interpretations that will come into effect from January 1, 2017 onwards. The potential impact of these future provisions is currently being assessed.

IFRS 15 sets out the principles for recognition of revenue from contracts concluded with customers. Contracts that are subject to specific standards are excluded: leases, insurance contracts and financial instruments. Given that the revenue from insurance contracts represents more than 89% on December 12, 2016 (EUR 2.4 billion compared to EUR 264 million), we consider on the basis of the principle of IAS 1 that IFRS 15 has no significant impact on the accounts of Ethias SA.

It follows from the application of IFRS 16 that most leases must be recognized in the balance sheet, eliminating the current distinction between finance leases and operating leases for the lessee. The new standard requires the recognition of an asset (the right to use the leased asset) and a lease obligation. The only exemptions apply to contracts with a duration of 12 months or less and contracts for which the underlying asset has a low value. The impact assessment of this standard is currently being carried out.

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.

As such, it mainly follows the evolution of IFRS 17 "insurance contracts" (formerly IFRS 4), which was published on May 18, 2017 and whose date of entry into force is January 1, 2021, 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 was chosen for the latter.

7.2 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.

7.3 Accounting principles and valuation rules

The accounting principles and the valuation rules applied at 31 December 2016 are still valid and therefore applicable for the first half of 2017. For detailed explanation, see the annual report at end 2016.

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

8 Critical accounting estimates and judgments

The preparation of the consolidated accounts in accordance with the IFRS standards brings the Group to realize judgments, estimates and assumptions that have an impact on the application of the accounting policies and on the amounts of the assets, liabilities, revenues and expenses, and which by nature contain a certain degree of uncertainty. These estimates are based on the experience and assumptions which the Group considered as reasonable on the basis of the circumstances. The actual results would and will by definition often differ from these estimates. The revisions of the accounting estimates are recognized during the period in which the estimates are reviewed and in the course of all future periods covered. The judgments and estimates mainly relate to the domains included in the annual report at end 2016.

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

9 Management of financial and insurance risks

9.1 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.

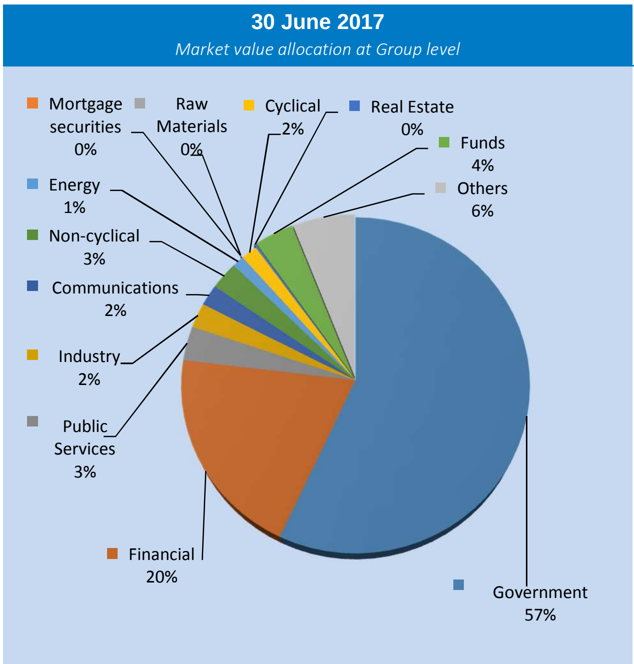
It should be noted that bond forwards are not included in the indicators presented in this document.

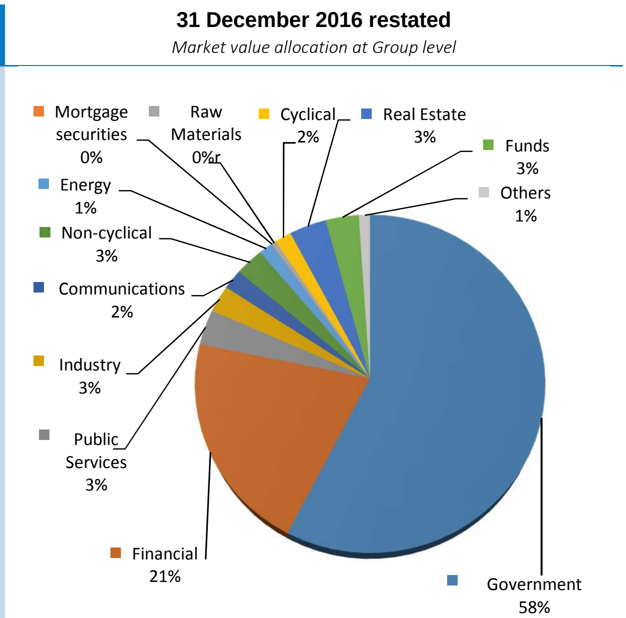
Sectoral distribution

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.

At end-June 2017 and at end-December 2016, the sectoral distribution of the shares and investment funds as well as of the bonds and equivalent stocks invested by the Ethias Groups, appears as follows:

Bonds and equivalent stocks

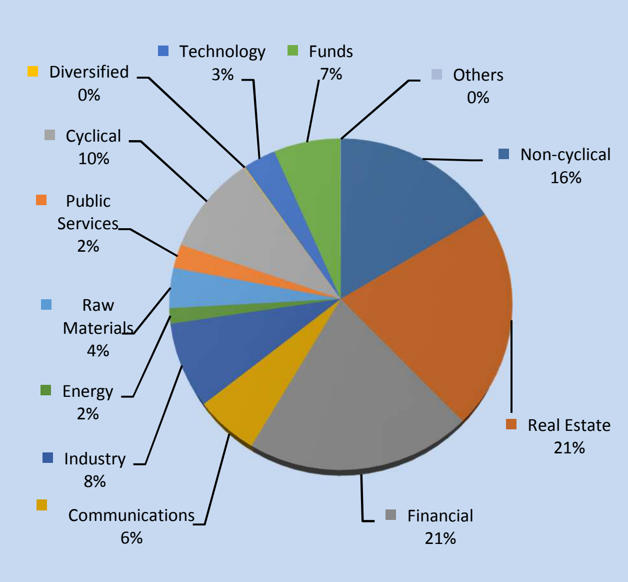




Shares, participations and investment funds:

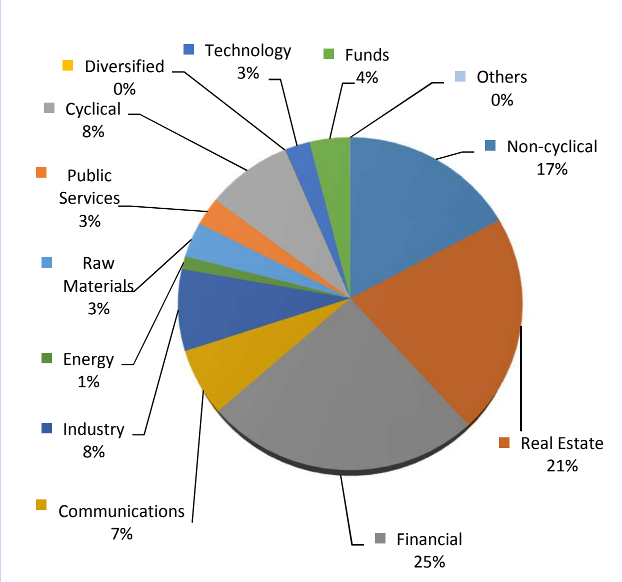
30 June 2017

Market value allocation at Group level



31 December 2016

Market value allocation at Group level



Exposure to sovereign risk

On June 30, 2017, the part invested by the Ethias Group in sovereign or supranational risk amounts to 59% of the total amount of the fair value of all the bonds (i.e. EUR 8,140,520 thousand on a total of EUR 13,841,530 thousand). End-2016, this ratio amounted to 60% (i.e. EUR 8,603,024 thousand on a total of EUR 14,289,469 thousand).

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

In thousands of euros, in market value, at Group level	30 June 2017	31 December 2016 restated
Germany	253,092	241,199
Austria	79,064	80,813
Belgium	4,741,586	5,118,752
Spain	489,354	500,279
Central and Eastern Europe	361,296	388,310
France	1,207,195	1,360,124
Ireland	298,809	254,470
Italy	335,625	354,113
The Netherlands	32,330	45,255
Scandinavia	5,247	5,341
Portugal	97,429	101,221
Supranational securities	227,725	144,899
Others	11,767	8,249
Total	**8,140,520**	**8,603,024**

Within the framework of its credit risk management, the Group analyses the details of its exposure to the sovereign risk as mentioned above whilst including all debts issued or guaranteed by governments, in fair value, without restriction to their activity sector. By way of example, the Group considers the securities of companies active in public services but guaranteed by the Belgian state as governmental and similar debts. This explains why the total amount of exposure to the sovereign risk, i.e. EUR 8,140,520 thousand per 30 June 2017 (against EUR 8,603,024 thousand per 31 December 2016), is higher than the amount mentioned under the sector "Governmental", i.e. EUR 7,879,232 thousand (against EUR 8,226,590 thousand for the year 2016).

9.2 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.

	30 June 2017						
In thousands of EUR In market value At Group level	**AAA**	AA	**A**	**BBB**	**BB and below**	**No rating**	**Total**
Bonds and equivalent stocks	719,665	6,314,068	2,345,671	3,408,163	251,124	802,839	13,841,530
Loans and deposits	-	-	1,818	-	-	650,175	651,992
Receivables	-	-	917	-	-	1,470,713	1,471,630
Cash and cash equivalents	-	131	783,919	625	77,360	1,255	863,289
Total	**719,665**	**6,314,199**	**3,132,324**	**3,408,788**	**328,483**	**2,924,982**	**16,828,442**

	31 December 2016 restated						
In thousands of EUR In market value At Group level	**AAA**	AA	**A**	**BBB**	**BB and below**	**No rating**	**Total**
Bonds and equivalent stocks	793,351	6,740,252	2,332,678	3,527,332	328,320	567,536	14,289,469
Loans and deposits	-	-	1,825	-	-	689,848	691,672
Receivables	-	-	829	-	-	1,586,643	1,587,472
Cash and cash equivalents	-	-	675,339	304	162	75,532	751,336
Total	**793,351**	**6,740,252**	**3,010,670**	**3,527,636**	**328,482**	**2,919,558**	**17,319,949**

At the level of the rating distribution for bonds and similar securities, we see an increase of just over 235 million for the exposure in "No rating" in the first semester. This is mainly explained by the increase in exposure to money market funds (EUR +206 million on Q2).

10 Explanatory notes to the consolidated balance sheet

10.1 Goodwill

10.1.1 Evolution of goodwill

In thousands of EUR	30 June 2017	31 December 2016
Gross value on 1 January	**44,762**	**44,762**
Accumulated impairments on 1 January	-	-
Net book value on 1 January	**44,762**	**44,762**
Acquisitions	-	-
Other changes	15,082	-
Net book value on 30 June / 31 December	**59,844**	**44,762**

The integration of Whestia (cf. “Management report - 1.3 Integration of Whestia) has generated a Goodwill with a value of EUR 15 million at the level of Ethias SA.

10.1.2 Impairment test on goodwill

The goodwill is allocated to a single cash generating unit corresponding to activities other than those of insurance companies. This unit includes service activities and IT solutions of the NRB subgroup.

The Group carried out an impairment test on the goodwill and concluded that no impairment had to be recognized in June 2017. This decision was, in particular, based on the fact that the goodwill was recently recognized (2010-2017). The valuation conditions of the relevant activities did not significantly evolve between the acquisition date of the various subsidiaries involved and the closing date. The expected future profitability allows to justify the book value of the goodwill.

10.2 Other intangible assets

In thousands of EUR	30 June 2017 Software and IT developments	Other intangible assets	Total
Gross value on 1 January	**143,930**	**7,129**	**151,059**
Accumulated amortization on 1 January	(52,396)	(4,867)	(57,262)
Accumulated impairments on 1 January	-	-	-
Net book value on 1 January	**91,535**	**2,262**	**93,797**
Acquisitions	23,481	368	23,849
Disposals	-	-	-
Reclassifications	-	-	-
Change in the consolidation scope	-	-	-
Net amortization	(9,214)	(302)	(9,517)
Impairments	-	-	-
Other changes	-	-	-
Net book value on 30 June	**105,801**	**2,328**	**108,129**

In thousands of EUR	31 December 2016 Software and IT developments	Other intangible assets	Total
Gross value on 1 January	**53,293**	**45,100**	**98,393**
Accumulated amortization on 1 January	(40,072)	(4,474)	(44,546)
Accumulated impairments on 1 January	-	(7,881)	(7,881)
Net book value on 1 January	**13,221**	**32,744**	**45,965**
Acquisitions	62,685	982	63,667
Disposals	(186)	-	(186)
Reclassifications	27,902	(30,822)	(2,920)
Change in the consolidation scope	-	-	-
Net amortization	(12,088)	(642)	(12,730)
Impairments	-	-	-
Other changes	-	-	-
Net book value on 31 December	**91,535**	**2,262**	**93,797**

10.3 Financial investments

10.3.1 Overview of financial investments by category

In thousands of EUR	30 June 2017					
	Cost price	Impairments	Reassessment through other items of comprehensive income	Reassessment through profit or loss	Net book value	Fair value
Available for sale	60,275	(15,612)	62,932	-	107,595	107,595
Participations	**60,275**	**(15,612)**	**62,932**	**-**	**107,595**	**107,595**
Available for sale	271,898	(4,199)	93,554	-	361,253	361,253
Designated at fair value through profit or loss	116,336	-	-	4,884	121,220	121,220
Held for trading	27,290	-	-	(1,660)	25,630	25,630
Equities	**415,524**	**(4,199)**	**93,554**	**3,225**	**508,103**	**508,103**
Available for sale	115,350	(5,234)	23,993	-	134,109	134,109
Designated at fair value through profit or loss	11,945	-	-	808	12,753	12,753
Investment funds	**127,295**	**(5,234)**	**23,993**	**808**	**146,863**	**146,863**
Available for sale	12,050,507	(11,339)	1,111,676	-	13,150,844	13,150,844
Designated at fair value through profit or loss	647,378	-	-	43,308	690,687	690,687
Unlisted on an active market	-	-	-	-	-	-
Bonds	**12,697,885**	**(11,339)**	**1,111,676**	**43,308**	**13,841,530**	**13,841,530**
Loans and deposits	635,840	(9,781)	-	-	626,059	651,992
Other investments	**635,840**	**(9,781)**	**-**	**-**	**626,059**	**651,992**
Held for trading	24,041	-	-	(15,364)	8,678	8,678
Held for cash flow hedging	-	-	29,978	-	29,978	29,978
Derivative financial assets	**24,041**	**-**	**29,978**	**(15,364)**	**38,656**	**38,656**
Investments belonging to unit-linked insurance contracts	**661,523**	**-**	**-**	**55,857**	**717,380**	**717,380**
Total	**14,622,384**	**(46,166)**	**1,322,133**	**87,835**	**15,986,187**	**16,012,120**

In thousands of EUR	31 December 2016 restated					
	Cost price	Impairments	Reassessment through other items of comprehensive income	Reassessment through profit or loss	Net book value	Fair value
Available for sale	78,072	(14,596)	70,154	-	133,630	133,630
Participations	**78,072**	**(14,596)**	**70,154**	**-**	**133,630**	**133,630**
Available for sale	274,643	(4,290)	77,664	-	348,017	348,017
Designated at fair value through profit or loss	125,762	-	-	(2,751)	123,011	123,011
Held for trading	21,440	-	-	(1,136)	20,303	20,303
Equities	**421,844**	**(4,290)**	**77,664**	**(3,887)**	**491,331**	**491,331**
Available for sale	93,885	(5,150)	20,908	-	109,642	109,642
Designated at fair value through profit or loss	11,945	-	-	515	12,460	12,460
Investment funds	**105,830**	**(5,150)**	**20,908**	**515**	**122,102**	**122,102**
Available for sale	12,252,018	(11,239)	1,371,614	-	13,612,393	13,612,393
Designated at fair value through profit or loss	667,909	-	-	9,167	677,076	677,076
Unlisted on an active market	-	-	-	-	-	-
Bonds	**12,919,927**	**(11,239)**	**1,371,614**	**9,167**	**14,289,469**	**14,289,469**
Loans and deposits	671,784	(16,920)	-	-	654,864	691,672
Other investments	**671,784**	**(16,920)**	**-**	**-**	**654,864**	**691,672**
Held for trading	36,831	-	-	(21,324)	15,508	15,508
Held for cash flow hedging	-	-	59,839	-	59,839	59,839
Derivative financial assets	**36,831**	**-**	**59,839**	**(21,324)**	**75,346**	**75,346**
Investments belonging to unit-linked insurance contracts	**355,357**	**-**	**-**	**53,032**	**408,89**	**408,89**
Total	**14,589,646**	**(52,196)**	**1,600,178**	**37,502**	**16,175,131**	**16,211,940**

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.

10.3.2 Evolution of financial investments

	30 June 2017						
	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	Total
Opening balance on 1 January	**14,203,682**	**812,547**	**20,303**	**654,864**	**75,346**	**408,89**	**16,175,131**
Acquisitions	727,489	33,711	34,261	7,732	19,955	607,697	**1,430,846**
Reclassifications between categories	-	-	-	-	-	-	**-**
De-recognition following exercise option	-	-	-	-	-	-	**-**
Profits and losses realized on hedging instruments not yet recognized through profit or loss	-	-	-	-	-	-	**-**
Disposals and reimbursements	(987,253)	(57,797)	(28,093)	(39,229)	(11,184)	(307,868)	**(1,431,425)**
Foreign currency translation differences on monetary assets	(15)	-	-	-	-	-	**(15)**
Adjustment at fair value	(240,184)	34,491	(841)	-	(45,462)	9,025	**(242,970)**
Amortizations	(13,084)	1,607	-	-	-	194	**(11,283)**
Changes in accrued interests not yet due	(69,287)	101	-	430	-	(57)	**(68,813)**
Impairments	(409)	-	-	(133)	-	-	**(542)**
Change in the consolidation scope	-	-	-	-	-	-	**-**
Other changes	132,863	-	-	2,396	-	-	**135,259**
Net book value on 30 June	**13,753,801**	**824,660**	**25,630**	**626,059**	**38,656**	**717,380**	**15,986,187**

	31 December 2016 restated						
	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	Total
Opening balance on 1 January	**14,053,579**	**863,587**	**9,626**	**848,989**	**22,986**	**359,078**	**16,157,845**
Acquisitions	2,572,873	54,630	112,796	39,830	24,405	252,407	**3,056,940**
Reclassifications between categories	55,266	-	-	(55,266)	-	-	**-**
De-recognition following exercise option	-	-	-	-	(70,176)	-	**(70,176)**
Profits and losses realized on hedging instruments not yet recognized through profit or loss	61,529	-	-	-	-	-	**61,529**
Disposals and reimbursements	(2,626,795)	(108,346)	(100,502)	(178,119)	(6,871)	(213,177)	**(3,233,811)**
Foreign currency translation differences on monetary assets	284	-	-	-	-	-	**284**
Adjustment at fair value	129,540	1,361	(1,616)	-	105,003	9,209	**243,498**
Amortizations	(27,300)	3,149	-	-	-	871	**(23,280)**
Changes in accrued interests not yet due	(15,869)	(1,834)	-	(397)	-	-	**(18,100)**
Impairments	576	-	-	(173)	-	-	**402**
Change in the consolidation scope	-	-	-	-	-	-	**-**
Other changes	-	-	-	-	-	-	**-**
Net book value on 31 December	**14,203,682**	**812,547**	**20,303**	**654,864**	**75,346**	**408,89**	**16,175,131**

Adjustments to the fair value for derivatives break down into EUR -29,204 thousand for derivative hedging instruments (against EUR 115,970 thousand in December 2016) and EUR -16,258 thousand for derivative trading instruments on 30 June 2017 (against EUR -10,967 thousand in December 2016).

The item "Other changes" (EUR 135,259 thousand) includes the impact of the merger by absorption of Whestia.

The amount of EUR 132,863 thousand in "Available-for-sale investments" breaks down into a reversal of bonds for EUR 162,330 thousand, a reversal of funds for EUR 19,281 thousand and the disposal of Whestia's participating interest for EUR -48,748 thousand.

10.3.3 Evolution of impairments on investments

10.3.3.1 Impairment on available-for-sale investments

In thousands of EUR	30 June 2017	31 December 2016
Balance on 1 January	**(35,276)**	**(48,085)**
Provision for impairments	(409)	(7,723)
Reversals of impairments	-	8,299
Reversals due to disposals	550	22,234
Change in the consolidation scope	-	-
Reclassifications	(1,250)	(10,000)
Other changes	-	-
Balance on 30 June / 31 December	**(36,385)**	**(35,276)**

10.3.3.2 Impairments on loans, deposits and other financial investments

In thousands of EUR	30 June 2017	31 December 2016
Balance on 1 January	**(16,920)**	**(26,755)**
Provision for impairments	(133)	(303)
Reversals of impairments	-	130
Reversals due to disposals	7,273	138
Change in the consolidation scope	-	-
Reclassifications	-	9,870
Other changes	-	-
Balance on 30 June / 31 December	**(9,781)**	**(16,920)**

10.3.4 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:

	30 June 2017			
In thousands of EUR	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	Net book value
Financial assets				
Available for sale	-	-	107,595	107,595
Participations	**-**	**-**	**107,595**	**107,595**
Available for sale	361,253	-	-	361,253
Designated at fair value through profit or loss	121,220	-	-	121,220
Held for trading	25,630	-	-	25,630
Equities	**508,103**	**-**	**-**	**508,103**
Available for sale	55,695	78,207	206	134,109
Designated at fair value through profit or loss	12,753	-	-	12,753
Held for trading	-	-	-	-
Investment funds	**68,449**	**78,207**	**206**	**146,863**
Available for sale	11,959,104	1,110,121	81,618	13,150,844
Designated at fair value through profit or loss	137,690	515,262	37,734	690,687
Held for trading	-	-	-	-
Bonds	**12,096,794**	**1,625,383**	**119,353**	**13,841,530**
Held for trading	-	8,678	-	8,678
Held for cash flow hedging	-	29,978	-	29,978
Derivative financial assets	**-**	**38,656**	**-**	**38,656**
Investments belonging to unit-linked insurance	**646,191**	**71,189**	**-**	**717,380**
Total financial assets	**13,319,537**	**1,813,436**	**227,154**	**15,360,127**
Financial liabilities				
Investment contracts hedged by assets at fair value	649,980	71,189	-	721,169
Held for trading	-	-	-	-
Held for cash flow hedging	-	19,792	-	19,792
Derivative financial liabilities	**-**	**19,792**	**-**	**19,792**
Total financial liabilities	**649,980**	**90,981**	**-**	**740,961**

	31 December 2016 restated			
In thousands of EUR	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	Net book value
Financial assets				
Available for sale	-	-	133,630	133,630
Participations	**-**	**-**	**133,630**	**133,630**
Available for sale	347,688	-	329	348,017
Designated at fair value through profit or loss	123,011	-	-	123,011
Held for trading	20,303	-	-	20,303
Equities	**491,002**	**-**	**329**	**491,331**
Available for sale	31,469	78,174	-	109,642
Designated at fair value through profit or loss	12,460	-	-	12,460
Held for trading	-	-	-	-
Investment funds	**43,929**	**78,174**	**-**	**122,102**
Available for sale	12,424,111	1,110,006	78,275	13,612,393
Designated at fair value through profit or loss	120,854	437,101	119,120	677,076
Held for trading	-	-	-	-
Bonds	**12,544,965**	**1,547,108**	**197,396**	**14,289,469**
Held for trading	-	15,508	-	15,508
Held for cash flow hedging	-	59,839	-	59,839
Derivative financial assets	**-**	**75,346**	**-**	**75,346**
Investments belonging to unit-linked insurance contracts	**337,545**	**70,843**	**-**	**408,389**
Total financial assets	**13,417,442**	**1,771,471**	**331,355**	**15,520,267**
Financial liabilities				
Investment contracts hedged by assets at fair value	341,439	70,843	-	412,283
Held for trading	-	-	-	-
Held for cash flow hedging	-	8,014	-	8,014
Derivative financial liabilities	**-**	**8,014**	**-**	**8,014**
Total financial liabilities	**341,439**	**78,858**	**-**	**420,297**

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.

10.3.5 Distribution between the various hierarchic levels

The distribution between the various hierarchical levels is based on the following criteria:

Level 1: Fair value measured by reference to an active market

The fair value measurements of the financial assets recognized at this level are determined by using the market prices when they are available on an active market. A financial instrument is considered as listed on an active market if the ratings are easily and regularly available through stock exchanges, exchange brokers, brokers, price-setting services or regulatory authorities and if these prices represent real and regular market operations that are carried out under the usual conditions of free competition.

The Group classifies at this level assets valorized on the basis of prices given by financial information providers (e.g. Bloomberg) when a certain number of indicators, such as a sufficient number of contributors or the fact that the difference between purchase price and resale price of the security remains at an acceptable level, allow to reasonably assess whether there is an active market.

This category includes, inter alia, all sovereign debt securities directly valuated on the basis of values obtained on the market. We note that, in application of IFRS 13, the "Bid" listing of Bloomberg is accepted, but is not required.

The close value supplied by Bloomberg should serve to valorize the shares recognized in level 1.

Are not recognized in level 1, shares of which the listing is not retained by Bloomberg and for which an internal analysis is carried out to determine the value.

For funds listed on financial markets, the "Close" value supplied by Bloomberg should serve to valorize those funds that are recognized in level 1.

Are not recognized in level 1, funds for which the valorization was based on a unique contribution or was not retained by Bloomberg.

At the level of branch 23 "unit-linked insurance contract", the bid and close values supplied by Bloomberg are recognized in level 1 in the same way as what is realized for the rest of the portfolio.

Level 2: Valuation methods based on observable market data

At this level, the fair value valuations are based on other data than the quoted price and are either directly or indirectly observable, i.e. inter alia derived from the prices. The fair value of financial instruments which are not negotiated on an active market is generally estimated by using external and independent rating agencies. Are inter alia recognized at this level: a certain number of complex financial instruments (bonds designated at fair value through profit or loss or derivative instruments) for which the market value is exclusively supplied by an external counterparty.

The Group considers that, if the market is unable to supply a market price on a sufficiently regular basis and on the basis of a sufficient number of contributors, the resulting value should be recognized in level 2. This is, amongst others, the case when the Group selects a single contributor. The Group considers the lack of a sufficient number of contributors as a sign of inactivity on the security in question. Since the valorization is based on the bid price supplied by a single counterparty, the security will be recognized in level 2.

In any case, the fair value of the various instruments recognized in level 2 is not based on estimates of the Group.

Level 3: Valuation methods not based on observable market data

At this level, the fair value is estimated by means of a valuation model which translates the way in which interveners on the market could reasonably determine the price of the instrument if the transaction would take place. This valorization is based on valuation methods which include data that are not based on observable market data.

The valuation of this portfolio is based on the discounting of future cash flows by using the interest rate curve, the credit spread and maturity assumptions when it comes to perpetual bonds.

The Group's non-controlling interests also belong to level 3. The fair value of these share interests is namely essentially determined on the basis of an internal valorization method that is based:

- either on the intrinsic value of the participating interest for insurance companies, i.e. the Revalued Net Asset as well as the value of existing portfolios (= embedded value),
- either on the Net Asset of the share interest for other companies.

10.3.6 Important transfers between investments estimated at fair value in level 1 and 2

In thousands of EUR	30 June 2017		31 December 2016	
	From level 1 to level 2	From level 2 to level 1	From level 1 to level 2	From level 2 to level 1
Financial assets				
Available for sale	-	-	-	-
Participations	**-**	**-**	**-**	**-**
Available for sale	-	-	-	-
Designated at fair value through profit or loss	-	-	-	-
Held for trading	-	-	-	-
Equities	**-**	**-**	**-**	**-**
Available for sale	-	-	-	-
Designated at fair value through profit or loss	-	-	-	-
Held for trading	-	-	-	-
Investment funds	**-**	**-**	**-**	**-**
Available for sale	114,740	30,287	63,622	219,121
Designated at fair value through profit or loss	-	-	-	-
Held for trading	-	-	-	-
Bonds	**114,740**	**30,287**	**63,622**	**219,121**
Held for trading	-	-	-	-
Held for cash flow hedging	-	-	-	-
Derivative financial assets	**-**	**-**	**-**	**-**
Investments belonging to unit-linked insurance contracts	**-**	**-**	**-**	**2,537**
Total financial assets	**114,740**	**30,287**	**63,622**	**221,658**
Financial liabilities				
Investment contracts hedged by assets at fair value	-	-	-	2,537
Held for trading	-	-	-	-
Held for cash flow hedging	-	-	-	-
Derivative financial liabilities	**-**	**-**	**-**	**-**
Total financial liabilities	**-**	**-**	**-**	**2,537**

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

The transfers between investments from level 1 to level 2 involve securities of which BGN (Bloomberg generic) was the source of the market price and which, in the absence of the latter, were ultimately valued by the price given by a counterparty. The contrary is true for transfers from level 2 to level 1. For the latter, these are securities for which the price of a counterparty was the source of the market price and which ultimately benefited from the BGN market price as pricing source.

10.3.7 Evolution of investments estimated at fair value in level 3

	30 June 2017		
In thousands of EUR	Available-for-sale investments	Financial assets at fair value through profit or loss	Total
Opening balance on 1 January	**212,234**	**119,120**	**331,355**
Acquisitions	40,725	-	40,725
Reclassifications between categories	-	-	-
Reclassification to level 3	124	-	124
Exit from level 3	-	(85,901)	(85,901)
Disposals and reimbursements	(23,196)	-	(23,196)
Adjustment at fair value through equity	9,010	-	9,010
Adjustment at fair value through profit or loss	-	4,422	4,422
Changes in accrued interests not yet due	(628)	93	(535)
Impairments through profit or loss	(100)	-	(100)
Other changes	(48,748)	-	(48,748)
Closing balance on 30 June	**189,420**	**37,734**	**227,154**

	31 December 2016 restated		
In thousands of EUR	Available-for-sale investments	Financial assets at fair value through profit or loss	Total
Opening balance on 1 January	**194,700**	**95,107**	**289,807**
Acquisitions	28,658	-	28,658
Reclassifications between categories	(8,609)	-	(8,609)
Reclassification to level 3	18,294	23,947	42,241
Exit from level 3	-	-	-
Disposals and reimbursements	(27,338)	-	(27,338)
Adjustment at fair value through equity	5,533	-	5,533
Adjustment at fair value through profit or loss	-	415	415
Changes in accrued interests not yet due	1,107	(349)	757
Impairments through profit or loss	(110)	-	(110)
Other changes	-	-	-
Closing balance on 31 December	**212,234**	**119,120**	**331,355**

10.4 Tangible fixed assets and investment properties

In thousands of EUR	30 June 2017 Investment properties	Operational buildings	Other tangible fixed assets	Total
Gross value to be depreciated on 1 January	**580,348**	**182,662**	**194,014**	**957,024**
Acquisitions	2,103	270	6,242	8,616
Disposals and withdrawals	-	-	(2,041)	(2,041)
Properties available for sale	-	-	-	-
Change in the consolidation scope	-	-	-	-
Reclassifications from one heading to another	(3,124)	3,124	(128)	(128)
Other changes	14,011	-	-	14,011
Gross value on 30 June	**593,339**	**186,056**	**198,087**	**977,483**
Depreciations and accumulated impairments on 1 January	**(84,982)**	**(84,547)**	**(152,482)**	**(322,011)**
Depreciations of the financial year	(8,408)	(2,233)	(4,728)	(15,369)
Impairments of the financial year	-	-	-	-
Reversals of the financial year	-	-	-	-
Disposals and withdrawals	-	-	423	423
Reversals following disposals	-	-	100	100
Impairment and reversal on investment properties available for sale	-	-	-	-
Change in the consolidation scope	-	-	-	-
Reclassifications from one heading to another	1,796	(1,796)	128	128
Other changes	(3,907)	-	-	(3,907)
Depreciations and accumulated impairments on 30 June	**(95,502)**	**(88,576)**	**(156,559)**	**(340,637)**
Net book value on 30 June	**497,837**	**97,480**	**41,528**	**636,846**
Fair value on 30 June	**566,504**	**135,167**	**41,528**	**743,200**

In thousands of EUR	31 December 2016 Investment properties	Operational buildings	Other tangible fixed assets	Total
Gross value to be depreciated on 1 January	**502,109**	**182,420**	**180,920**	**865,449**
Acquisitions	5,468	259	21,762	27,489
Disposals and withdrawals	(4,331)	(17)	(8,489)	(12,837)
Included loan costs	-	-	-	-
Change in the consolidation scope	76,236	-	-	76,236
Reclassifications from one heading to another	867	-	(179)	688
Other changes	-	-	-	-
Gross value on 31 December	**580,348**	**182,662**	**194,014**	**957,024**
Depreciations and accumulated impairments on 1 January	**(69,469)**	**(80,119)**	**(146,704)**	**(296,292)**
Depreciations of the financial year	(15,350)	(4,435)	(10,182)	(29,967)
Impairments of the financial year	-	-	-	-
Reversals of the financial year	-	-	-	-
Disposals and withdrawals	-	-	35	35
Reversals following disposals	930	8	4,351	5,289
Impairment and reversal on investment properties available for sale	-	-	-	-
Change in the consolidation scope	(227)	-	-	(227)
Reclassifications from one heading to another	(867)	-	18	(849)
Other changes	-	-	-	-
Depreciations and accumulated impairments on 31 December	**(84,982)**	**(84,547)**	**(152,482)**	**(322,011)**
Net book value on 31 December	**495,366**	**98,115**	**41,533**	**635,014**
Fair value on 31 December	**552,712**	**141,861**	**41,533**	**736,105**

Depreciations with regard to investment property are recognized in *Change in amortizations and depreciations of investments* while depreciations with regard to operational buildings and tangible fixed assets are recognized in *Expenses for other activities* through profit or loss.

Investment properties are valued annually by qualified real estate experts. The fair value of investment properties is based on the valorization by an independent expert with the appropriate professional qualifications and experience. This value represents the estimated amount for which the property could be exchanged at the valuation date between a willing purchaser and a willing seller on the basis of a transaction under normal market conditions (arm's length) after an appropriate marketing.

The valuation method is that of the perpetual capitalization of the Estimated Rental Value (ERV). Following the review of its valuation policy for assets at market value, carried out in 2017, Ethias classifies this method at level 3 of the fair value hierarchy. Indeed, the valuation methods used by the experts are not based on observable data on the real estate market. In particular, market rental values or capitalization rates should be considered as input data of level 3.

10.5 Receivables

10.5.1 Breakdown of receivables by nature

	30 June 2017		
In thousands of EUR	Gross value	Impairment	Net book value
Receivables arising from direct insurance operations and accepted reinsurance	1,277,079	(17,219)	1,259,860
Receivables arising from ceded reinsurance operations	64,481	-	64,481
Receivables arising from other operations	67,461	(439)	67,022
Tax receivables	4,728	-	4,728
Other receivables	75,757	(217)	75,540
Total	**1,489,506**	**(17,876)**	**1,471,630**

	31 December 2016		
In thousands of EUR	Gross value	Impairment	Net book value
Receivables arising from direct insurance operations and accepted reinsurance	1,360,370	(16,129)	1,344,241
Receivables arising from ceded reinsurance operations	64,359	-	64,359
Receivables arising from other operations	65,838	(210)	65,628
Tax receivables	4,177	-	4,177
Other receivables	109,169	(102)	109,067
Total	**1,603,913**	**(16,442)**	**1,587,472**

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.

Changes in receivables arising from insurance operations are mainly due to the adjustment of accepted reinsurance deposits. Indeed, the Whestia deposit is no longer recorded following the absorption of this company by Ethias. This sharp drop is slightly offset by the increase in the deposit of Ethias DC AAM

Receivables arising from ceded reinsurance operations, receivables arising from other activities and tax receivables remain stable.

The decrease in other receivables is mainly explained by the evolution of the receivable related to the charges levied on the ring fenced funds.

10.5.2 Evolution of impairments on receivables

In thousands of EUR	30 June 2017	31 December 2016
Impairments on receivables on 1 January	**(16,442)**	**(15,843)**
Provisions of the financial year	(5,099)	(10,383)
Expenditures of the financial year	809	1,039
Reversals of the financial year	3,181	8,348
Change in the consolidation scope	-	-
Other changes	(326)	397
Impairments on receivables on 30 June/31 December	**(17,876)**	**(16,442)**

We think the impairment principle on receivables is prudent as only 16% of the impairments are actually recorded as a write-off of receivables.

10.5.3 Outstanding receivables

A financial asset is outstanding as soon as a counterparty fails to pay on the date stipulated under the contract, when it exceeds the recommended limit or is informed about a limit that is lower than the current outstanding amounts. The table below gives information about the maturity overrun of the outstanding, but not yet depreciated, financial assets.

	30 June 2017							
					Net book value of unimpaired assets based on the following periods:			
In thousands of EUR	Book value before impairments	Impairments	Net book value	Net book value of impaired assets	Not expired	Expired by up to 6 months	Expired less than 12 months	Expired by more than 12 months
Receivables arising from insurance operations or accepted reinsurance	1,277,079	(17,219)	1,259,860	-	1,100,285	144,367	10,329	4,878
Receivables arising from ceded reinsurance operations	64,481	-	64,481	-	64,481	-	-	-
Other receivables	147,946	(656)	147,290	-	139,024	7,519	466	281
Total	**1,489,506**	**(17,876)**	**1,471,630**	**-**	**1,303,790**	**151,885**	**10,796**	**5,159**

	31 December 2016							
					Net book value of unimpaired assets based on the following periods:			
In thousands of EUR	Book value before impairments	Impairments	Net book value	Net book value of impaired assets	Not expired	Expired by up to 6 months	Expired less than 12 months	Expired by more than 12 months
Receivables arising from insurance operations or accepted reinsurance	1,360,370	(16,129)	1,344,241	-	1,189,413	138,393	12,600	3,835
Receivables arising from ceded reinsurance operations	64,359	-	64,359	-	64,359	-	-	-
Other receivables	179,184	(312)	178,872	-	173,258	4,046	1,088	480
Total	**1,603,913**	**(16,442)**	**1,587,472**	**-**	**1,427,029**	**142,439**	**13,688**	**4,316**

In the case of Ethias, impaired receivables are reduced up to their total book value amount.

10.6 Cash and cash equivalents

In thousands of EUR	30 June 2017	31 December 2016 restated
Cash at bank and in hand	801,684	700,755
Cash equivalents	61,605	50,581
Total of the cash and cash equivalents	**863,289**	**751,336**
Debts arising from repurchase operations (repo)	(155,378)	(254,751)
Bank overdraft and other debts included in the cash flow statement	(41,612)	(81,572)
Cash and cash equivalents regarding the groups intended to be transferred	-	-
Total of the repurchase operations, cash and cash equivalents in the cash flow table	**666,299**	**415,012**

Cash equivalents consist mainly of treasury bonds.

Since 2014, hedge accounting has been introduced. At 30 June 2017, the amount received in collateral for the swaptions totals EUR 2,021 thousand (compared to EUR 14,377 thousand on 31 December 2016), EUR 7,050 thousand for repurchase agreement transactions (compared to EUR 8,200 thousand at 31 December 2016) and EUR 32,444 thousand (compared to EUR 58,995 thousand at 31 December 2016) for the forwards.

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

10.7 Deferred tax assets and liabilities

10.7.1 Breakdown of deferred tax assets and liabilities

	30 June 2017		
In thousands of EUR	**Deferred tax assets**	**Deferred tax liabilities**	**Net deferred taxes**
Available-for-sale investments through profit or loss	-	1,703	(1,703)
Available-for-sale investments in other items of comprehensive income	-	412,421	(412,420)
Financial assets designated at fair value through profit or loss	-	14,769	(14,769)
Insurance and investment liabilities in other items of comprehensive income	359,977	-	359,977
Insurance and investment liabilities through profit or loss	57,383	10,067	47,316
Employee benefits in other items of comprehensive income	492	-	492
Employee benefits through profit or loss	24,805	-	24,805
Other sources of other items of comprehensive income	-	-	-
Other sources through profit or loss	15	36,111	(36,096)
Carried forward tax losses	1,034	-	1,034
Deferred tax assets and liabilities	**443,706**	**475,071**	**(31,364)**
Compensation through taxable entity	(443,372)	(443,372)	-
Deferred tax assets and liabilities	**334**	**31,698**	**(31,364)**

	31 December 2016		
In thousands of EUR	**Deferred tax assets**	**Deferred tax liabilities**	**Net deferred taxes**
Available-for-sale investments through profit or loss	3,426	-	3,426
Available-for-sale investments in other items of comprehensive income	3	517,575	(517,572)
Financial assets designated at fair value through profit or loss	214	3,947	(3,733)
Insurance and investment liabilities in other items of comprehensive income	437,594	-	437,594
Insurance and investment liabilities through profit or loss	141,415	9,564	131,850
Employee benefits in other items of comprehensive income	6,110	(873)	6,983
Employee benefits through profit or loss	27,647	-	27,647
Other sources of other items of comprehensive income	-	-	-
Other sources through profit or loss	21	35,317	(35,295)
Carried forward tax losses	1,330	-	1,330
Deferred tax assets and liabilities	**617,760**	**565,530**	**52,230**
Compensation through taxable entity	(543,996)	(543,996)	-
Deferred tax assets and liabilities	**73,764**	**21,534**	**52,230**

10.7.2 Evolution of deferred tax assets and liabilities

In thousands of EUR	30 June 2017			31 December 2016		
	Deferred tax assets	Deferred tax liabilities	Net deferred taxes	Deferred tax assets	Deferred tax liabilities	Net deferred taxes
Net book value on 1 January	**73,764**	**21,534**	**52,230**	**170,096**	**59**	**170,038**
Changes through profit or loss	(165,395)	(67,469)	(97,927)	(76,729)	11,122	(87,851)
Change in other items of comprehensive income	91,965	70,922	21,043	(19,603)	10,353	(29,957)
Change in scope	-		-	-	-	-
Other changes	-	6,711	(6,711)	-	-	-
Net book value on 30 June / 31 December	**334**	**31,698**	**(31,364)**	**73,764**	**21,534**	**52,230**

10.7.3 Deferred taxes

In thousands of EUR	30 June 2017	31 December 2016
Deferred taxes for which a deferred tax asset was allocated		
Intended use within the year	-	52,230
Intended use between 1 and 2 years	-	-
Intended use between 2 and 3 years	-	-
Intended use after 3 years	-	-
Debt with maturity after 3 years	-	-
Subtotal	**-**	**52,230**
Deferred taxes for which no deferred tax asset was allocated		
Limited recoverability	-	-
Unlimited recoverability	196,678	188,039
Subtotal	**196,678**	**188,039**
Total of the allocated and non-allocated deferred taxes	**196,678**	**240,270**

As at June 30, 2017, net deferred taxes (tax liabilities) amount to 31 million. DTA's arising from the tax credits as reflected in the company's tax position amount to 196 million. They are not valued in this situation.

10.8 Insurance and investment contract liabilities

10.8.1 Summary table of 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.

10.8.1.1 Liabilities related to Non-Life insurance contracts

In thousands of EUR	30 June 2017	31 December 2016
Mathematical provisions	834,730	816,558
Provisions for unearned premiums	495,113	291,243
Claims provisions	2,266,332	2,287,345
Shadow accounting	-	-
Other provisions	203,310	213,496
Total insurance contract liabilities (gross)	**3,799,484**	**3,608,643**
Reinsurers' share in liabilities related to Non-Life insurance contracts	129,737	120,069
Total insurance contract liabilities (after deduction of the reinsurers' share)	**3,669,747**	**3,488,573**

The evolution in provisions for unearned premiums is due to the fact that a large part of the premiums is issued in the beginning of the year.

10.8.1.2 Liabilities related to Life insurance contracts

In thousands of EUR	30 June 2017	31 December 2016
Mathematical provisions	4,373,103	4,278,382
Claims provisions	505	2,184
Shadow accounting	505,727	651,648
Other provisions	8,456	-
Insurance contract liabilities	**4,887,791**	**4,932,214**
Liabilities related to unit-linked insurance contracts	**24,899**	**25,155**
Total insurance contract liabilities (gross)	**4,912,691**	**4,957,370**
Reinsurers' share in liabilities related to Life insurance contracts	2,020	1,474
Total insurance contract liabilities (after deduction of the reinsurers' share)	**4,910,671**	**4,955,895**

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.

10.8.1.3 Investment contract liabilities

In thousands of EUR	30 June 2017	31 December 2016
Mathematical provisions	4,911,978	5,548,776
Claims provisions	-	-
Shadow accounting	551,939	647,932
Other provisions	17,049	-
Investment contract liabilities with discretionary participation features	**5,480,966**	**6,196,708**
Liabilities related to unit-linked investment contracts with discretionary participation features	**622,663**	**312,390**
Mathematical provisions	3,789	3,894
Investment contract liabilities without discretionary participation features	**3,789**	**3,894**
Liabilities related to unit-linked investment contracts without discretionary participation features	**69,818**	**70,844**
Total investment contract liabilities (gross)	**6,177,236**	**6,583,835**
Reinsurers' share in investment contract liabilities with discretionary participation features	-	-
Total investment contract liabilities (after deduction of the reinsurers' share)	**6,177,236**	**6,583,835**

10.8.1.4 Profit sharing liabilities

In thousands of EUR	30 June 2017	31 December 2016
Profit sharing related to Non-Life insurance contracts	-	-
Profit sharing related to Life insurance contracts	1,994	5,409
Profit sharing related to investment contracts	-	18,661
Liabilities for profit sharing of policyholders	**1,994**	**24,070**

10.9 Financial debts

10.9.1 Breakdown by nature

In thousands of EUR	30 June 2017		31 December 2016 restated	
	Balance value	Fair value	Balance value	Fair value
Convertible subordinated bond loans	-	-	-	-
Non-convertible subordinated bond loans	470,027	534,731	475,774	474,629
Subordinated debts	**470,027**	**534,731**	**475,774**	**474,629**
Convertible bond loans	-	-	-	-
Non-convertible bond loans	-	-	-	-
Bank overdrafts	97	97	-	-
Debts arising from repurchase operations (repo)	155,378	155,378	254,751	254,751
Collateral received as guarantee	41,515	41,515	81,572	81,572
Others	63,926	63,926	50,779	50,779
Other financial debts	**260,916**	**260,916**	**387,102**	**387,102**
Total of the financial debts	**730,944**	**795,647**	**862,876**	**861,732**

In 2005 and in 2008, Ethias SA had issued two subordinated bond loans of respectively EUR 250 and 75 million. The first issue, of the perpetual type, offers an interest rate of 4.747 % until the first exercise date of the redemption prepared in December 2015 and subsequently a variable interest rate. The second issue has an interest rate of 7.5 % until July 2018, first exercise date of the redemption, and a variable interest rate until the expiry date of the security in July 2023.

The market value of the aforementioned bond loans is determined on the basis of a valuation model that takes into account the rating of the issuer and the probability of the exercise of the different redemptions.

In 2015, Ethias SA restructured its perpetual loan of EUR 250 million in the following two steps:

- On 29 June 2015, Ethias launched an exchange offer for its perpetual subordinated loan against a Tier 2 subordinated loan maturing in January 2026. The operation was a real success given the high participation level of 94.4% (EUR 236 million). Having reimbursed investors wishing to participate in the exchange offer but not having an investment with a minimum amount of EUR 100,000 (i.e. the minimum subscription amount) and having reimbursed the part of the investment not corresponding to a multiple of EUR 100,000, a new bond of EUR 231.9 million was issued at 100 % on 14 July 2015, at the nominal rate of 5%.

- On 5 November 2015, Ethias SA issued an additional tranche in the Tier 2 subordinated loan of EUR 170.8 million in nominal value, for an issue price of 80 %, paying the nominal rate of 5 % and maturing in January 2026.

The assessments at fair value of the issued loans are based on the market price "Ask" (source Bloomberg) for a nominal value of EUR 416,700 thousand relating to the above-mentioned restructuring and additional issuance. The fair value of the residual bond loans is determined on the basis of observable elements, such as the levels of the interest rate markets and of the credit markets for a nominal value of EUR 75,000 thousand. 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.

The collateral received as guarantee mainly concerns the operations of the forward bond and swaption type that have been contracted within the framework of the interest rate hedging programme implemented by the company.

Following the "Switch VII" operation, Ethias contracted repo's to deal with the short-term liquidity management. The nominal amount of the latter amount to EUR 155 thousand as of June 30, 2017.

10.10 Employee benefits

10.10.1 Overview of employee benefits by nature

The debt for employee benefits recognized in the balance sheet is analysed as follows:

In thousands of EUR	30 June 2017	31 December 2016
Post-employment benefits	494,676	500,685
Long-term employee benefits	24,790	16,397
Termination benefits	13,083	17,781
Total	**532,549**	**534,863**

10.10.2 Description of the employee benefits

10.10.2.1 Post-employment benefits

Various remuneration plans granted at the leaving date of the employees or during their retirement were implemented within the Group. This category mainly includes:

Pension benefit obligations

The majority of the systems granted to the employees of the different subsidiaries of the Group are insured within the Group itself through the company Ethias SA. There are two separate types of systems that coexist:

- Defined benefit plans, according to which a predetermined amount shall be paid to an employee at the moment of his pension retirement, or during his retirement. Generally, this amount depends on the following factors: number of years of service, salary and maximum legal pension amount.
- Defined contribution plans which are pension agreements by which the employer commits himself up to a finance. The employer limits his commitment to the payment of the contributions and the payment does not depend on the final amount, contrary to the defined benefit plans. The employees' pension amount is calculated in proportion to the accumulation of the paid and capitalized contributions.

The Belgian law on complementary insurances imposes a guaranteed minimum yield on employer's and individual contributions. The taking into account of this law, related to the definition of the plan, can in some cases mean that the Belgian defined contribution plans are considered as defined benefit plans according to IAS 19. In general, the employer retains an obligation after the contribution payment.

Finally, by the fact that the Group itself insures the future benefits of the pension schemes allocated to its employees, the representative assets of the pension plans do not correspond with the definition of the scheme in the sense of IAS 19.

Other post-employment benefits

These other post-employment benefits mainly include various advantages offered to pensioners and pre-pensioners: access to healthcare cover, to cultural activities of the employee association and other fringe advantages. These advantages are essentially financed by the aid fund of the employee association. This fund is essentially supplied by individual contributions paid by active employees, pensioners and pre-pensioners. The residual liability eventually at charge of the employer is considered as non-significant and is not valorized in the financial statements.

10.10.2.2 Long-term benefits

Long-term benefits refer to advantages granted to active employees and which are not fully payable within the twelve months following the end of the financial year in which the employees provided the services. These benefits include, inter alia, long-term compensated absences, long-service bonuses as well as departures projected with the frame of the "60+" plan (put in place in 2015 and in 2017), concerning the gradual retirement of persons born before January 1, 1961.

10.10.2.3 Termination benefits

Termination benefits refer to amounts paid to employees in the event of dismissal or resignation. This category of advantages also includes provisions constituted by the employer for the charge of the benefits paid to the pre-pensioners until the age of 65. These benefits should only be provisioned if the company committed itself explicitly to grant them.

10.11 Trade and other payables

10.11.1 Breakdown by nature

In thousands of EUR	30 June 2017	31 December 2016 restated
Liabilities arising from direct insurance operations and accepted reinsurance	122,878	123,156
Liabilities arising from ceded reinsurance operations	106,106	103,400
Liabilities from operating activities	**228,984**	**226,556**
Tax on current result	11,584	8,008
Other contributions and taxes	57,718	44,160
Tax payables	**69,303**	**52,168**
Social security payables	50,460	57,330
Payables to associates	-	-
Payables from finance leases	5,049	6,181
Trade payables	56,331	85,952
Other payables	168,395	120,014
Other payables	**280,235**	**269,478**
Accruals for liabilities	**23,474**	**14,538**
Total other payables	**601,995**	**562,739**

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.

Accruals mainly include interests accrued but not yet due on bond loans, subsidies to be carried forward and other revenues 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.

11 Explanatory notes to the consolidated income statement

11.1 Revenues from insurance activities

In thousands of EUR	30 June 2017			
	Insurance contracts		Investment contracts with discretionary participation features Life	Total
	Life	Non-Life		
Gross premiums	139,799	863,365	403,019	1,406,184
Premiums ceded to reinsurers	(2,108)	(30,179)	-	(32,287)
Change in provision for unearned premiums and outstanding risks (net of reinsurance)	-	(189,222)	-	(189,222)
Other income from insurance activities	12	645	2,292	2,949
Revenues of insurance activities (net of reinsurance)	**137,703**	**644,609**	**405,311**	**1,187,624**

In thousands of EUR	30 June 2016			
	Insurance contracts		Investment contracts with discretionary participation features Life	Total
	Life	Non-Life		
Gross premiums	139,260	850,325	424,512	1,414,097
Premiums ceded to reinsurers	(2,869)	(34,221)	-	(37,091)
Change in provision for unearned premiums and outstanding risks (net of reinsurance)	-	(195,809)	-	(195,809)
Other income from insurance activities	20	1,093	1,924	3,036
Revenues of insurance activities (net of reinsurance)	**136,410**	**621,388**	**426,435**	**1,184,234**

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

11.2 Technical expenses for insurance activities

In thousands of EUR	30 June 2017			
	Insurance contracts		Investment contracts with discretionary participation features Life	Total
	Life	Non-Life		
Insurance service expenses	257,411	429,656	282,864	969,931
Net expenses or revenues ceded to reinsurers	(3,774)	806	-	(2,968)
Management costs	18,334	115,035	25,645	159,015
Technical expenses for insurance activities	**271,972**	**545,497**	**308,509**	**1,125,978**

In thousands of EUR	30 June 2016			
	Insurance contracts		Investment contracts with discretionary participation features Life	Total
	Life	Non-Life		
Insurance service expenses	165,494	467,409	607,560	1,240,463
Net expenses or revenues ceded to reinsurers	(2,971)	(8,700)	-	(11,671)
Management costs	14,168	112,020	26,327	152,515
Technical expenses for insurance activities	**176,692**	**570,728**	**633,887**	**1,381,307**

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.

11.3 Net financial result without finance costs

In thousands of EUR	30 June 2017					
	Revenues of 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	Total
Investment properties	**13,774**	**-**	**-**	**(8,408)**	**-**	**5,367**
Available for sale	1,395	17,175	-	234	-	18,804
Participations	**1,395**	**17,175**	**-**	**234**	**-**	**18,804**
Available for sale	9,815	3,347	-	7	-	13,168
At fair value through profit or loss	5,481	3,967	5,175	-	-	14,623
Held for trading	297	1,184	(841)	-	-	640
Shares and investment funds	**15,592**	**8,498**	**4,334**	**7**	**-**	**28,431**
Available for sale	182,072	(3,960)	(14)	(100)	-	177,999
At fair value through profit or loss	12,547	24,449	38,342	-	-	75,337
Unlisted at amortized cost price	-	-	-	-	-	-
Bonds	**194,620**	**20,489**	**38,327**	**(100)**	**-**	**253,336**
Loans, deposits and other financial investments	**8,477**	**(2,492)**	**-**	**6,661**	**-**	**12,646**
Held for trading	-	(10,528)	(16,257)	-	-	(26,785)
Held for cash flow hedging	1,256	1,074	-	-	-	2,330
Derivative financial instruments	**1,256**	**(9,453)**	**(16,257)**	**-**	**-**	**(24,455)**
Investments belonging to unit-linked insurance contracts	**(346)**	**-**	**-**	**-**	**-**	**(346)**
Cash and cash equivalents	**618**	**-**	**(72)**	**-**	**-**	**546**
Others	**17,015**	**-**	**-**	**-**	**(7,410)**	**9,605**
Net financial result without finance costs	**252,401**	**34,217**	**26,332**	**(1,605)**	**(7,410)**	**303,934**

In thousands of EUR	30 June 2016					
	Revenues of 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**	**Total**
Investment properties	**12,702**	**575**	**-**	**(7,256)**	**1,900**	**7,922**
Available for sale	2,962	30	-	2,155	-	5,147
Participations	**2,962**	**30**	**-**	**2,155**	**-**	**5,147**
Available for sale	7,989	3,300	-	(886)	-	10,403
At fair value through profit or loss	3,226	128	(15,280)	-	-	(11,926)
Held for trading	387	2,541	(3,323)	-	-	(395)
Shares and investment funds	**11,602**	**5,969**	**(18,603)**	**(886)**	**-**	**(1,918)**
Available for sale	196,033	(10,350)	271	22,792	-	208,746
At fair value through profit or loss	12,893	384	(24,184)	-	-	(10,908)
Unlisted at amortized cost price	836	-	-	-	-	836
Bonds	**209,761**	**(9,966)**	**(23,913)**	**22,792**	**-**	**198,674**
Loans, deposits and other financial investments	**10,500**	**-**	**-**	**(68)**	**-**	**10,431**
Held for trading	-	(323)	33,847	-	-	33,525
Held for cash flow hedging	-	-	-	-	-	-
Derivative financial instruments	**-**	**(323)**	**33,847**	**-**	**-**	**33,525**
Investments belonging to unit-linked insurance contracts	**(18)**	**-**	**-**	**-**	**-**	**(18)**
Cash and cash equivalents	**832**	**-**	**(15)**	**-**	**-**	**816**
Others	**126,315**	**-**	**-**	**-**	**(7,317)**	**118,998**
Net financial result without finance costs	**374,656**	**(3,714)**	**(8,685)**	**16,737**	**(5,417)**	**373,577**

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

11.4 Employee benefit expenses

In thousands of EUR	30 June 2017	30 June 2016
Wages	111,028	114,125
Social security expenses	34,070	31,256
Post-employment benefits	(309)	8,756
Defined benefit schemes	18,699	19,291
Other long-term benefits	142	154
Other benefits	(13,055)	(13,705)
Others	8,592	7,682
Total of the employee benefit expenses	**159,167**	**167,559**

The amount of the expenses included in the income statement on the defined contribution pension schemes amounts to EUR 18,699 thousand at end-June 2017 (against EUR 19,291 thousand at end-June 2016). This charge includes, inter alia, the cost price of services, the financial cost as well as taxes and contributions inherent in the group insurance products. This charge is divided by allocation within the income statement in expenses for insurance benefits (regarding internal claim handling costs, acquisition costs of contracts and administrative costs) and other investment financial expenses (regarding management costs of investments).

Costs included in other benefits include termination benefits and benefits in kind granted to the employees.

12 Other notes to the consolidated financial statements

12.1 Related parties

Within the framework of its activities the Group concludes on a regular basis transactions with related parties. In general, all transactions are concluded at market conditions as applicable to unrelated parties.

Related parties with whom the Group concludes transactions can belong to the following categories:

- The key management personnel of the Group are the directors of Ethias SA and of Vitrufin SA.
- The entities exercising a mutual control or a significant influence on the entity. As shareholder of the Group, the Mutual Insurance Association Ethias Droit Commun is considered to belong to this category;
- Joint ventures in which the entity participates;
- Non-consolidated subsidiaries; and
- Associates.

As a historical partner of the public bodies, the Group must conclude with them a large number of transactions. In accordance with the exception provided by the IAS 24, the Group has chosen not to list these transactions in the notes to the financial statements.

12.1.1 Transactions related to the balance sheet

In thousands of EUR	30 June 2017	31 December 2016
Receivables	1,061,082	999,252
Any other assets	-	-
Total assets with related parties	**1,061,082**	**999,252**
Insurance and investment contract liabilities	1,057,946	999,252
Financial debts	-	-
Trade and other payables	-	2,501
Total liabilities with related parties	**1,057,946**	**1,001,753**

12.1.2 Transactions related to revenues and expenses

In thousands of EUR	30 June 2017	30 June 2016
Revenues	101,021	107,719
Operating expenses	(115,397)	(126,753)
Financial income	15,881	15,593
Total of the revenues and expenses with related parties	**1,504**	**(3,440)**

12.1.3 Other transactions with related parties

In 2017, the Group did not receive or give any commitment towards related parties.

12.1.4 Remunerations for key management personnel

The directors and members of the Management Committee of Ethias SA are considered as key management personnel.

The total amount of their remunerations include the following elements:

In thousands of EUR	30 June 2017	30 June 2016
Short-term benefits	1,247	1,276
Post-employment benefits	380	421
Termination benefits	-	-
Other long-term benefits	-	-
Remunerations and other benefits for managers and directors	**1,627**	**1,697**

Short-term benefits consist of annual salary and other short-term benefits.

The key management personnel did not receive loans or advances at a preferential interest rate from the Group.

12.2 Commitments

12.2.1 Received commitments

In thousands of EUR	30 June 2017	31 December 2016
Guarantee commitments	842,817	867,316
Finance commitment	-	-
Other received commitments	-	-
Total	**842,817**	**867,316**

Guarantee commitments include guarantees received from reinsurers and, mainly, guarantees linked to mortgage loans granted to the Group.

12.2.2 Given commitments

In thousands of EUR	30 June 2017	31 December 2016
Guarantee commitments with regard to financing	41,700	62,550
Other guarantee commitments	17,678	25,925
Commitments on securities	155,445	260,907
Other given commitments	103,898	93,552
Total	**318,721**	**442,935**

The guarantee commitments with regard to financing mainly concern the credit facility for an amount of EUR 41,700 thousand granted by Ethias SA to Vitrufin on 30 June 2017 (against EUR 62,550 thousand on 31 December 2016).

The other guarantee commitments mainly include:

- Personal guarantees given for an amount of EUR 15,465 thousand on 30 June 2017 (against EUR 17,172 thousand on 31 December 2016). The latter represent the securities given as guarantee related to an accepted reinsurance contract called in by Ethias SA as a result of the disposal of its subsidiary Belré in 2011. These guarantees are mainly composed of sovereign bonds.

The commitments on securities include repurchase agreement transactions ("repo") with a maturity of 3 months for an amount of EUR 155,445 thousand.

The other guarantees given mainly include:

- purchase commitments for properties, i.e. EUR 699 thousand on 30 June 2017 (against EUR 1,547 thousand on 31 December 2016).
- lending commitments for EUR 13,365 thousand on 30 June 2017 (against EUR 13,315 thousand on 31 December 2016). This total is composed of EUR 12,065 thousand (against EUR 12,015 thousand in 2016) for lending commitments for infrastructures and EUR 1,300 thousand for real estate loans identical to 31 December 2016.

- commitments to acquire securities for EUR 56,168 thousand at 30 June 2017. This total breaks down into commitments to bond funds for an amount of EUR 27,677 thousand, commitment to equity funds for an amount of EUR 24,855 thousand and commitments to infrastructure funds for an amount of EUR 3,636 thousand.
- acquisition commitments relating to the “Century” project for EUR 33,527 thousand (see "Management report - 3.3. Technological evolution”).

12.3 Contingent liabilities

12.3.1 Financing guarantee commitment granted to Vitrufin

As a reminder: the decision of the European Commission compels Ethias SA to reduce its exposure to Dexia by 90%. It is in this context that Vitrufin SA acquired all the shares held by Ethias SA in Dexia. This transaction was completed in agreement with the European Commission. To finance this acquisition, Vitrufin SA issued in January 2012 a bond loan of EUR 278 million, fully subscribed at end-December 2011 by Belgian and foreign institutional investors from the public and private sector. Following the successful placement of the bond loan, the debt towards Ethias SA was reimbursed in January 2012. The loan is refundable at maturity (viz. in January 2019) and bears an annual interest of 7.5%. The payment of interests and the repayment of capital on due date will be provided through the liquidities generated by the dividends from Ethias SA. A credit facility agreement signed in early January 2012 provides for the annual provisioning of funds by Ethias SA to Vitrufin SA in order to provide additional security to the investors in the event that the dividends paid by Ethias SA would not be sufficient to cover the annual interests related to the bond loan.

Following the General Assembly in May 2017, Ethias has paid a dividend of EUR 45 million to Vitrufin, the purpose of which is to enable the latter to have sufficient liquidities to repay the remaining interests on its senior loan, namely the maturities of January 2018 and January 2019.

12.4 Events after the reporting period

As part of the implementation of a new organization called Ethias 2.0, the responsibilities of the Management Committee were reallocated, resulting in the following changes: Mr. Benoît Verwilghen has taken over, as Vice CEO, the management of the “Clients Center”, grouping all client-driven activities for the Public/Corporate Sector and Private Individuals, Ms. Cécile Flandre was appointed as CFO, and Mr. Luc Kranzen has taken over the management of the “Service Center”, grouping all service-oriented activities for the Public/Corporate Sector and Private Individuals.