Annual report 2015
Ethias SA

Ethias SA

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Insurance company licensed under number 0196 for practising 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 capitalization activities (Decision by the CBFA of 9 January 2007, Belgian Statue Book of 16 January 2007).

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Ethias' digital leap will put customers in the centre of its activities

Last year's excellent operating results (of which you can find all the details in the following pages) have allowed us to charge the cost of the "Switch IV" operation to one single year, to supply the flashing-light reserves and to distribute a dividend of EUR 45 million to our parent company, Vitrufin.

During the past year, we also succeeded in placing a new subordinated loan after restructuring the existing loan, thus proving, if needed, the confidence of markets and investors in our company.

By initiating and successfully managing the "Switch IV" operation, our FIRST A reserves have significantly eased. Over half of our FIRST A customers have indeed withdrawn nearly EUR 1.9 billion from the reserves. While this operation clearly had a cost weighing on our annual result, it also had a beneficial effect on our solvency ratio (SII).

Our premium collection went up by nearly 3 % to almost EUR 2.5 billion (1.3 billion in Non-Life and 1.2 billion in Life). We also record an improvement in our combined ratio. It attests to the excellence of the management model that has been put in place in all operational departments.

All these results, being the fruit of our constantly renewed strive to adapt our business to market realities, have enhanced the relevance of our direct insurer model, unique in Belgium.

Disruptive innovations are transforming the market

In 2015, the Board of Directors unanimously decided to take head on the challenge of Ethias' digital transformation.

Indeed, a digital society forces financial players (banks and insurers) to approach their business in a new way. Today, more than ever, it is the policyholder who must be at the centre of the distribution channels for our products and services and, hence, our IT tool should be designed to this end.

By launching us into this digital transformation, we give our company the ability to address its future challenges. Moreover, it is not only a question of implementing a new IT operating system. This will be especially the opportunity to thoroughly review our production chain and the way we daily operate. This will require all staff to have a greater flexibility and adaptability.

Through the (past and future) efforts of all the parties involved, and thanks to the success of its digital transformation, Ethias will be more than ever ready to worthy celebrate its centenary in 2019.

Bernard Thiry
Chairman of the Management Committee

Erik De Lembre
Chairman of the Board of Directors

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2015

ETHIAS SA OVERVIEW

POSITIONING ON THE BELGIAN MARKET
4th insurer
3rd Non-Life, 5th Life & 1st Public Sector

FITCH RATING
(Stable Outlook)
BBB

COVERAGE OF THE SOLVENCY I MARGIN
179%

COVERAGE OF THE SOLVENCY II MARGIN
>195%*

COVERAGE OF TECHNICAL LIABILITIES (%)
110%

Net CoR
86.9%

OPERATING RESULT
291
million €

NET RESULT
after allocation to flashing-light reserve
50
million €

PREMIUM INCOME
2.5
billion €
Non-Life: € 1.3 billion
Life: € 1.2 billion

EQUITY
1.14
billion €

ASSETS UNDER MANAGEMENT
15.8
billion €
in inventory book value

UNREALIZED GAINS
1.62
billion €

ethias

* on the basis of estimates on 30/09 and including the New Money and the transitional measures

Presentation of Ethias SA

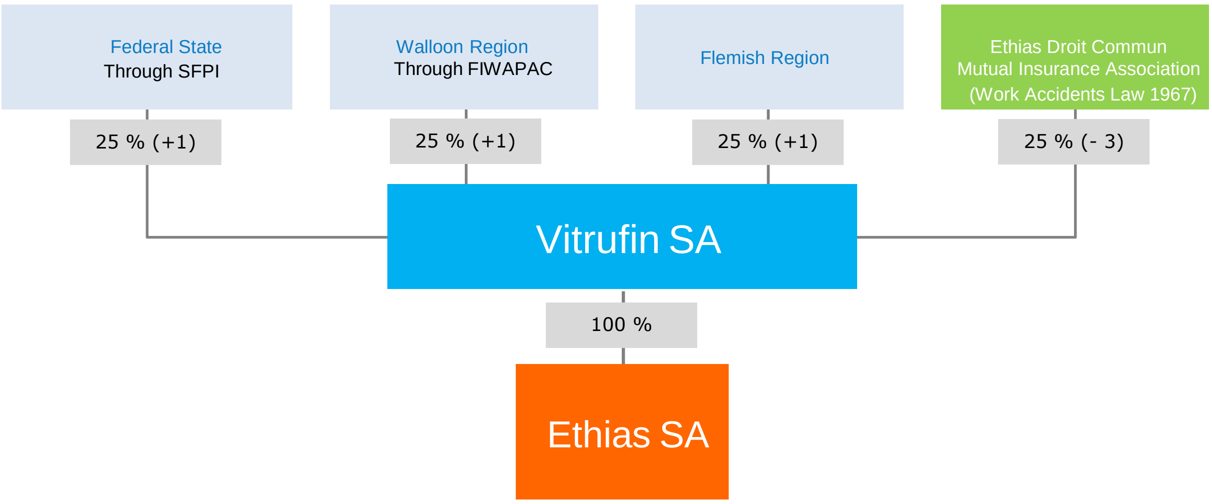
A group with a mutual insurance philosophy

A mutual insurance association is created by its members and operates for its members. Although our legal form has evolved over time, we remain imbued with this philosophy that we have translated in the slogan "*The Efficient Insurer*", i.e. to act efficiently for the well-being of our policyholders and our staff members.

In 1919, a group of municipal and provincial authorities founded the "*Société Mutuelle des Administrations Publiques*" (abbreviated as SMAP) for the insurance against fire, lightning and explosions.

This was the beginning of a rich history with various turns and many successes, leading up to a strong insurance group who today has over 1 million policyholders.

Our structure



Vitrufin SA is a holding company in which the public authorities (Belgian State, Walloon Region and Flemish Region) have acquired interests, accounting together for 75 % + 3 shares of its capital. Vitrufin owns 100 % of the shares of Ethias SA.

Ethias SA is the major operational entity of the group since it centralizes all Life and Non-Life insurance activities, with the exception of the insurance against accidents at work - Public Sector (1967 Work Accidents Law).

Ethias SA is also the sole or majority shareholder of the companies of the Group, such as *Ethias Service*s (consultancy company specialized in pension insurance), *Ethias Patrimoine* (acquisition and management company for movable and real estate assets), *Ethias Sustainable Investment Fund* (institutional SICAV under Belgian law), *Ethias Distribution Epargne-Crédit* (business contributor) and *NRB* (IT company) and is present in other companies in which it has acquired interests.

Ethias Droit Commun (mutual insurance company) practises the activity of insurance against accidents at work - Public Sector (1967 Work Accidents Law), and is a shareholder of the holding company "Vitrufin SA" alongside the public investors.

Our values

The values of Ethias are:

- Humanism: the conviction that insurance must be a service that is accessible for everyone, as a sign of openness and solidarity;
- Ethics: respect for our clients and stakeholders and for the commitments we have made towards them;
- Commitment: the constant strive to offer products and services at the best price/quality ratio and customized to the needs of our clients;
- Proximity: the will to give a simple and quick answer to our clients' needs and questions, thanks to our contact possibilities and a perfect understanding of their situation.

Our values are expressed in daily life (in customer service, during claim handling, when giving information by phone ...). They are also materialized when implementing our dynamic policy of corporate social responsibility (CSR), listening to the concerns of our policyholders and public bodies.

Our commitment - "The Efficient Insurer"

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

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

Our policyholders and our products

Private individuals

Ethias is a direct insurer, offering a complete range of Life and Non-Life products:

- In Non-Life. Besides its flagship products, namely car insurance and home insurance, Ethias also offers assistance, health care coverage, coverage for civil liability and trip cancellation insurance.
- In Life. Following the decision by the European Commission of 12 June 2014, which obliged Ethias to stop marketing new contracts (with the exception of death insurance contracts without Life component and contracts of branch 23), Ethias has concluded distribution partnerships with Integrale, involving products of branch 21, in order to continue offering customers a full range of products.

Our customer approach revolves around a continuous development of new and even more efficient products, on the one hand, and accessible and customized solutions with the best price/quality ratio, on the other hand. Our goal is that our products are designed in such a way that they give the best possible answer to the needs of our policyholders, whether they are agents of the public service or private individuals.

Our customer base is loyal and includes over one million policyholders with insurances for personal risks.

Public Sector

Ethias has been the privileged insurance partner of the Public Sector since 1919. Its insured parties include the Federal State, Regions and Communities, local public authorities (provinces, cities and municipalities, community social welfare centres ...), public companies as well as thousands of intercommunity and semi-public bodies, schools, hospitals, public interest organizations and miscellaneous associations ...

Ethias covers all the potential risks which employees face in public services: civil liability, health care, accidents, including not only work accidents but also sporting injuries, motor vehicle and assistance ...

Ethias also covers damage to or destruction of equipment, buildings and installations.

With regard to pension insurance, Ethias is a player of major importance in the development of first and second pillar pension schemes in the public sector.

But being an insurer today is not simply covering a series of financial risks, it is all about adopting a comprehensive prevention risk policy. For several years now, Ethias has been conducting a proactive and dynamic prevention policy across all its products and services (risk prevention relating to work accidents or hazardous weather conditions), and through innovative initiatives (risk management audit via Ethias Services, road safety prevention via the Ethias Prevention Awards ...).

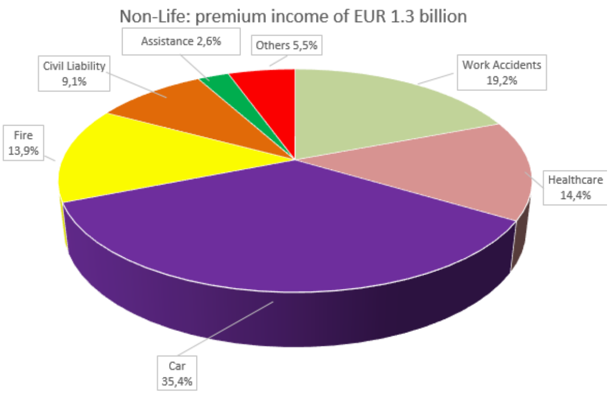
Corporate Sector

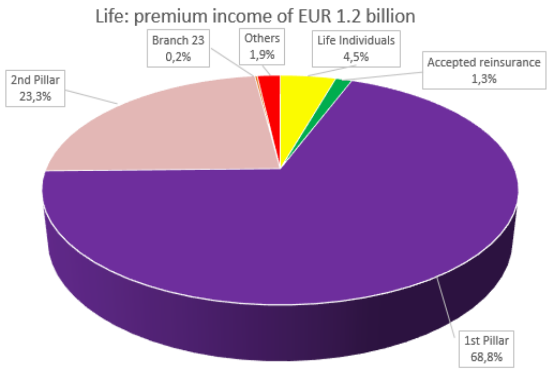
Since 2000, Ethias has also been accessible to private businesses, offering them its skills and expertise acquired in the public and non-profit sector. For allowing these businesses to take a lead in risk management, Ethias offers them a range of insurances responding to their specific needs and including the protection of:

- Their patrimony: car insurance, property and casualty insurance, machine breakage, all-risk insurance ...
- Their liabilities: civil liability for businesses, civil liability for directors and officers;
- Their staff: work accidents insurance, life accidents insurance, hospitalization insurance, guaranteed income insurance, group insurance.

Partition of premium income 2015 for Ethias SA

The premium income stands at € 2.5 billion by end-2015 and is perfectly balanced between Life and Non-Life activities. It is split per product as follows:





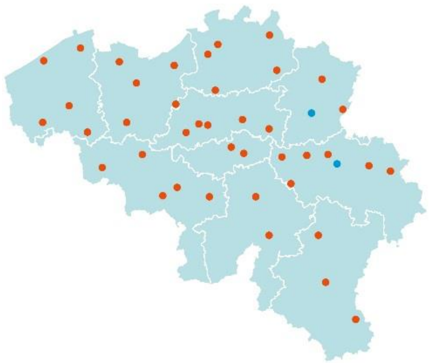
The majority of Ethias' activities are focussed on the Belgian market. Ethias is the country's fourth-largest insurer, for all activities combined, with a 8.5 % market share, and is the country's premier insurer of the public sector and its agents.

Our distribution network

Ethias is the only major direct insurer in Belgium, where brokers and bankinsurers have a predominant position.

For private individuals, Ethias distributes its products via three direct distribution channels:

- insurance advisors, located throughout the country, in a network of 42 offices;



- two Contact Centres, where 70 officers respond daily to over 3,000 calls from clients;
- a website with over 365,000 visitors per month:
  - a secure personal space (named "My Ethias"), allowing policyholders to consult their insurances and to declare certain claims;
  - the online underwriting of 7 insurance products, possible since October 2015 and covering the entire process (from quote to payment).

A team of inspectors and prevention specialists is at the service of local public authorities and businesses, with the collaboration of specialized brokers for private businesses. With the Ethias Extranet, public authorities and businesses can obtain all the required information on the nature and type of products offered by Ethias, they can calculate one or more quotes and directly subscribe online the insurance contract(s) they require in view of an optimal protection for certain products.

Strategic Plan 2013-2015

The Ethias' strategy was updated by end-2012 to include a series of contextual elements: we are operating in a still challenging macroeconomic environment, the regulatory environment is becoming more and more complex (especially with the entry into force of the Solvency II regulation), consumer habits are changing and the technological environment is developing exponentially.

Ethias has incorporated these changes into its business model and has translated them into concrete initiatives aiming to create value.

The updated strategic plan "**Visa for the Future**" is based on 4 main axes for the years 2013-2015: profitability, growth, innovation and Ethias' core values.

Hence, for the Public and Corporate Sector, our goal is to further strengthen the relationship with public authorities, to pursue the acquisition of market shares in the private business sector and to continue improve our products and services in an innovative way.

For Private Individuals, our goal is to offer everyone qualitative insurance products that are even more accessible and easy to understand, to take greater advantage of our position as a direct insurer (in particular by using the possibilities offered by new technologies) and to gain market shares, particularly in Flanders and among our historic and loyal customer base, i.e. civil servants.

Strategic Plan 2016-2019

The main axes of the plan "Visa 2013-2015" remain valid for the years 2016-2019. The actions have been adapted to take account of the changes in our environment and within the company.

For Private Individuals, the vision of the Ethias brand remains the same. We continue the work to make insurance easier and accessible to all, with the objective of profitable growth and of maintaining our position as a direct insurer in Belgium.

The strategic actions for 2016-2019 will focus on 5 axes: customer relationship management, omnichannel approach, target markets (civil servants and Flanders), innovation and the management of technical levers.

For the Public Sector, in Non-Life, we intend to consolidate our position as a multi-product insurer amongst public bodies and to develop the corporate segment. In Life, we have the ambition to be an all-round player in first and second pension pillar management.

Trophies and main innovations in 2015

As in previous years, Ethias received various awards in 2015:

- Three DECAVI Trophies in the following main categories:
    - **Best Civil Liability Car Insurance.** The jury appreciated the many positive guarantees offered by our civil liability insurance, such as a mobility guarantee (a free 24/7 service taking care of towing the vehicle, bringing the driver and his passengers back home and offering a replacement car in case of accident), free coverage of damage to a vehicle driven by a designated driver (called "a Bob" in Belgium), the granting of a joker, the warranty that the contract will not be terminated on grounds of age ... The jury also praised the unique "Ethias Young Drivers", which aims to help young people to obtain a civil liability car insurance at an affordable price.
    - **Best Innovation for "Ethias Young Drivers".** "Ethias Young drivers" has been designed as a response to a major societal problem: allowing young drivers to underwrite more easily their own civil liability car insurance and not having to hide behind their parents' insurance. After a year without an accident "at fault" in their Ethias insurance, the "Young Drivers Bonus" offers not one but two steps down on the no-claims scale (called "bonus/malus system" in Belgium), and this for a maximum of two consecutive years. This advantage is granted as long as the policyholder drives without having an accident "at fault" and allows him to lower his insurance premium more rapidly and significantly. Ethias also strives to improve road safety among young drivers and, hence, helps them to benefit from the "Young Drivers Bonus": advice and tips are available on the Ethias website and a specific mobile app has also been developed.
    - An award for **Best Prevention Initiative** was given to the "Ethias Prevention Reporter": an application for assisted and automated reporting on prevention, providing a range of relevant information, such as geo-tracking of risks/accidents, categorization of risks/accidents, photo/video functionalities and links to legal texts.
- "Effectiveness - Best Integrated Cuckoo Award" (rewarding the best direct marketing campaigns) for the overall campaign "Alter Ethias". In this campaign, based on testimonials of consumer satisfaction, several Ethias clients are transformed into three-dimensional *Ethi* figurines.
- Two external "ISAE 3000" certifications, in ethical financial management (asset management) and in environmental performance (CO_2 emission control), providing recognition for Ethias in two key areas of Corporate Social Responsibility.

As in previous years, we are always looking for innovation in our range of products and services. This results in the following concrete initiatives:

- For Private Individuals:
    - We have done a complete overhaul of the Ethias.be website. In addition to a more modern design, the new website allows navigation on mobile devices (smartphones and tablets) as well as a full underwriting process (from quote to payment) for 7 insurance products. A first for the Belgian insurance market.
    - Furthermore, we have improved the quality of our administrative process by incorporating communication via text messaging with our policyholders.
    - We have launched two insurances tailored to the needs of disabled persons and their personal assistants. We now offer an insurance that covers - for the first time - damages to health care equipment as well as an insurance that reimburses personal injuries and damage resulting from the working relationship between the disabled person and his personal assistant.
    - We have launched the "Ethias Street Vending" initiative: a mobile office (an equipped van) aiming to promote proximity with our customers and prospects at major events sponsored by Ethias, at local events close to an Ethias office or at events in an area further away from an Ethias office.
- For the Public Sector:
    - In our commitment to reduce risks and losses, we have developed the "Ethias Prevention Reporter" (see explanation above).
    - In partnership with the Belgian Federal Public Service for Employment, Labour & Social Dialogue, the Flemish Foundation for Transport Studies (VSV), the Walloon Agency for Road Safety (AWSR) and Wolters Kluwer, we have organized the third edition of the Ethias Prevention Awards. This is a unique competition for sharing and promoting best practices and for rewarding efforts taken by the public and non-profit sector in the field of prevention and protection of people, citizens, patients ...
    - We have revitalized and enhanced the "Ethias Prevention Corner" (our online platform with security/prevention services) through a series of videos and tutorials, advice, info sheets, checklists and all the editions of the "InfoRisk Newsletter", our electronic bulletin specialized in prevention ... All the documents can be freely downloaded and aim to support our policyholders in their prevention initiatives.

GOVERNANCE (ON 31 JANUARY 2016)

The Management Committee

Name	Function
Bernard Thiry	Chairman of the Management Committee (CEO)
Benoît Verwilghen	Vice-Chairman of the Management Committee (Vice-CEO) - Chief Financial Officer (CFO)
Frank Jeusette	Chief Risk Officer (CRO)
Luc Kranzen	Private Individual Insurances
Philippe Lallemand	Public and Corporate Sector Insurances

The Board of Directors

Name	Function
Erik De Lembre	Chairman
Jacques Braggaar	Director
Claude Desseille	Independent director
Willy Duron	Independent director
Jean-Pierre Grafé	Director
Olivier Henin	Director
Philip Neyt	Director
Bernard Thiry	Director
Benoît Verwilghen	Director
Frank Jeusette	Director
Luc Kranzen	Director
Philippe Lallemand	Director

The Audit and Risk Committee

Name	Function
Claude Desseille	Chairman
Erik De Lembre	Member
Willy Duron	Member
Jean-Pierre Grafé	Member

The Appointments and Remuneration Committee

Name	Function
Erik De Lembre	Chairman
Jacques Braggaar	Member
Olivier Henin	Member

The Statutory Auditor

PwC - Reviseurs d'Entreprises sccrl

Woluwe Garden, Woluwedal 18 – B-1932 Sint-Stevens-Woluwe

Represented by K. Cappoen, Accedited Auditor

MANAGEMENT REPORT

Preliminary comment

This report takes into account the regulations of the Royal Decree of 17 November 1994 on the financial statements of insurance companies and the Belgian Corporate Code.

Commitment of Ethias

Ethias is a Life and Non-life insurer committed to engage in a mutually profitable relationship with public institutions, civil servants, corporate and related retail client segments.
Ethias provides premium value-for-money products and services generating sustainable profits while leveraging its core values of humanism, ethics, commitment and proximity.

Report of the Board of Directors of Ethias SA to the Board of Directors of Vitrufin SA on 18 May 2016 in lieu of the General Assembly of Ethias SA.

1 The year 2015 in a number of dates and key facts

1.1 Switch IV

The decision by the European Commission of 12 June 2014 compels Ethias to continue its policy to accelerate the run-down of the portfolio "Life Individuals", and this to strengthen its solvency. This is the reason why Ethias offered at the end of February 2015 to its clients, holders of a FIRST A, an exit premium equal to 4 years' interest upon full surrender and an exit premium equal to 4 years' interest upon partial surrender of minimum EUR 100,000, in so far as the surrenders take place before the end of March 2015.

This transaction was a real success as surrenders amounting to EUR 1.9 billion were recognized in 2015, this is 57 % of the reserves existing at the end of December 2014. The number of contracts decreased from more than 53,000 to less than 27,000. The cost of the transaction (EUR 243 million) directly impacts the 2015 result of Ethias, but this offer has allowed to significantly and recurrently improve the solvency margin under Solvency II, in force since 1 January 2016.

1.2 Reducing the duration gap

Ethias has implemented a series of specific measures (reinvestment in long-term OLO, acquisition of derivative hedging instruments ...) so as to reduce its duration gap (assets with an average maturity shorter than the maturity of liabilities) and therefore to limit its sensitivity to a decrease in interest rates. These measures have delivered results since this gap was reduced by almost half compared to end-December 2014.

1.3 Financial Recovery Plan

The Board of Directors of Ethias SA approved on 4 June 2015 a financial recovery plan that aims to improve the solvency margin under Solvency II. This plan is a real business project and includes a set of specific measures, such as reducing overheads by 10 %, the issuance of an additional subordinated loan and reducing the duration gap. It also confirms the company's strategy and the scenario in "stand alone".

1.4 Restructuring of the perpetual subordinated loan of EUR 250 million and issuance of an additional loan

Ethias launched an exchange offer on 29 June 2015 for its perpetual subordinated loan of EUR 250 million against a "Tier 2" subordinated loan maturing in January 2026.

The operation was in real demand 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 on 14 July 2015, at the rate of 5 %.

On 5 November 2015, Ethias issued an additional "Tier 2" subordinated loan of EUR 170.8 million in nominal value (with the same characteristics as those relating to the loan issued in July), for an issue price of 80%, compensated at a nominal rate of 5% and maturing in January 2026.

1.5 Acquisition of the Guidewire solution

In November 2015, Ethias SA decided to acquire the Guidewire solution for contract and claims management in Non-Life Private Individuals and Public Sector. Guidewire is a solution developed by a company specializing in insurance.

This new tool carries the ambition to transform the existing information system into a new integrated IT platform that is intuitive, state-of-the-art and extremely flexible, allowing to respond in a rapid and agile way to the demands of our policyholders and to continue developing products and services that meet their needs, both today and tomorrow.

1.6 Tax dispute

There was a significant dispute between Ethias SA and the tax administration about the "pension insurances" of various public entities (provinces, municipalities, inter-community and other public institutions) so as to ensure the statutory pensions of their regular permanent staff and their dependants.

Indeed, the administration considered that, given the absence of risk within the meaning of the Civil Code (chance to gain or to lose), those contracts were not Life insurance contracts but investment contracts and that, consequently, the annual interests granted by Ethias SA to the reserves of these contracts were movable capital income for the public entities / policyholders and therefore had to be subject to withholding tax.

Ethias SA fully contested the position of the tax administration and transferred the file to Court.

End-2009, the First Instance Court of Liège confirmed the assessments on withholding tax. Ethias SA lodged an appeal against this judgment in November 2010. On 28 November 2014, the Court of Appeal upheld the verdict rendered in first instance and Ethias was ordered to pay EUR 378 million.

Ethias SA recovered EUR 44 million in 2015. This amount corresponds to the withholding taxes enlisted for 2008.

The claim for relief of the withholding taxes enlisted in 2008 was made on the basis of the new withholding tax exemption referring to the situation presented by the insurance policies of the public sector's first pension pillar introduced by article 265, paragraph 2, 3° of the Income Tax Code since 1 January 2007.

Additional recovery actions have been taken for other relevant years.

1.7 Fitch Rating

The rating agency Fitch confirmed on 25 September 2015 the rating for financial strength of Ethias SA at BBB+, with a stable outlook.

Fitch downgraded on 14 October 2015 the rating for financial strength of Ethias SA from BBB+ to BBB in order to reflect the increase in indebtedness, resulting from the issuance of additional bonds (mechanical downgrade).

1.8 2015 in key dates

29 January: Ethias SA acquires a 100% stake in the real estate company "Het Gehucht".

29 January: The companies Xperthis Group and Xperthis SA, subsidiaries of NRB SA, acquire a 100 % stake in MIMS SA, a company also active in the design, the development and the commercialization of IT solutions for professionals in the health sector.

6 February: Ethias SA becomes owner of BoCAsa, a residential care centre, with a real estate investment of EUR 17.7 million including 90 rest home beds and 10 assisted housing units in Heusden-Zolder (Bolderberg, Limbourg).

13 March: The "Global Equities" sub-fund of the institutional SICAV under Belgian law "Ethias Sustainable Investment Fund" is put on the list of alternative collective investment undertakings with a variable number of institutional units.

2 April: Closing of the "Switch IV" operation (see 1.1).

29 April: At the 11th edition of the DECAVI Trophies, rewarding the best insurances of the Belgian market in different categories, Ethias wins 3 trophies in the headlight categories, namely "Civil Liability Car Insurance", "Innovation" and "Prevention" (see item on "Trophies and main innovations in 2015").

30 April: A new and innovative office (mixing both digital technology and human contact with high added value) opens at Charleroi.

21 May: A world premier: Médic'Air, a medical assistance provider for Ethias Assistance, has used for the first time, during a civilian flight, lyophilized plasma developed by the French army (replacing frozen plasma which is too difficult to preserve and thaw).

27 May: The annual Cuckoo Awards honour the best direct marketing campaigns. This year, Ethias receives the "Effectiveness - Integrated Best Award" for its overall campaign "Alter Ethias" (see item on "Trophies and main innovations in 2015"). A great recognition for the creativity, the strategy and - in particular - the effectiveness of this approach, which has been translated in different campaigns (Car, Fire, Tenant, Motorcycle Insurance, Mentorship ...), and for different media (radio, TV, billboards, mailings, e-mailings, digital ...).

Ethias receives two external ISAE 3000 certifications, for its ethical financial management (Asset Management) on the one hand, and for its environmental performance (CO_2 emission control) on the other hand. These certifications provide recognition for Ethias in two key areas of Corporate Social Responsibility (CSR).

4 June: Ethias offers free assistance insurance to all users of "Blue-bike" bicycles.

4 June: The Board of Directors of Ethias approves a financial recovery plan that aims to improve the solvency margin under Solvency II. This plan is a real business project and includes a set of specific measures, such as reducing overheads, reducing the duration gap and issuing an additional subordinated loan.

8 June: Our product offering is expanded through the "Boost Invest" range of Branch 23. With its four investments funds, suited to the different investor profiles of our clients, Ethias re-enters the market as a direct life insurer for private individuals.

9 June: Ethias is awarded the Q-Stage Label by the VOKA enterprise network. This label is handed over to businesses that provide quality internships for high school or university students.

17 June: In Flanders, Ethias launches two insurances tailored to the needs of disabled persons and their personal assistants.

23 June: Ethias acquires the real estate company "Lothian Development", which possesses office buildings.

14 July: Ethias issues a "Tier 2" subordinated loan of EUR 231.9 million with a maturity of 10 years in exchange for its perpetual subordinated loan of EUR 250 million (see item 1.4.).

21 August: The company launches the "Ethias Street Vending" initiative (see item on "Trophies and main innovations in 2015").

14 September: The look of the Ethias website (www.ethias.be) is completely overhauled. In addition, the site allows policyholders (private individuals) to underwrite 7 insurance products online, covering the entire process ("from quote to payment"). A first for the insurance sector.

14 September: The opening of the new regional office in Woluwe is another step in strengthening the presence of Ethias in the Brussels-Capital Region. After Bruges, Wavre and Charleroi, it is the 4th innovative Ethias office incorporating new technologies.

15 September: Ethias announces the launch of a project to significantly reduce its network of authorized repairers. In the coming years, technological developments (connected cars, digitalization, preventive technologies, etc.) will undoubtedly increase the complexity of car repairs. A number of repairers are however not able to follow up on these developments. To further increase the quality service provided by repairers, Ethias has therefore decided to reduce the size of its network. Such a reduction will provide more opportunities for repairers who are willing to make every effort to meet the challenges ahead. By anticipating in this way the natural evolution in the automotive sector, Ethias is committed to ensuring a long-term quality service to its policyholders.

25 September: The rating agency Fitch confirm the BBB+ rating for Ethias SA, with a stable outlook.

14 October: Ethias announces to the financial markets its intention to issue a new subordinated loan. Consequently, the rating agency Fitch downgrades the rating of Ethias SA from BBB + to BBB (mechanical downgrade, see item 1.7.).

5 November: Ethias issues an additional "Tier 2" subordinated loan of EUR 170,8 million euro (see item 1.4.)

27 November: Ethias announces the acquisition of the Guidewire software package for managing its Non-Life products (see item 1.5.). It will eventually replace the current IT system that is exclusively product-oriented.

3 December: Ethias drops pharmaceutical certificates. From now on, pharmaceutical certificates of policyholders with a "Hospi" insurance (i.e. the BVAC certificates) no longer need to be sent by postal mail. The pharmacist will take care of it himself, sending the documents directly and via a digital transmission. This provides additional comfort for the patient and the pharmacist, and is a simplification for the staff members managing the hospitalization records. This project was named "Assurpharma". It was set up by Assuralia, the umbrella organization of insurers operating in Belgium, and two pharmaceutical associations, Ophaco and APB.

3 December: Ethias supports research on road safety, alongside the Belgian Road Safety Institute. A good example is the smart bus project.

4 December: Ethias offers to holders of a first-generation FIRST Account (called "FIRST A") an exit premium of 10 %.

14 December: Ethias inaugurates its 5th innovative office in the centre of Brussels.

2 Results 2015

The year 2015 recorded an operating income of EUR 291 million, before allocation to the flashing-light reserve (EUR 166 million) and before taking into account the following non-recurring items:

- the impact of the cost for the "Switch IV" operation (EUR -243 million)
- the partial recovery of the tax dispute (EUR 44 million)
- other non-recurring income (EUR 127 million)

This result was mainly generated by the Non-Life business (operating profit of EUR 240 million) which provides a net CoR largely under the target of 95 % since several years (86.9 % at end-2015). This demonstrates the robustness of the business model and the effectiveness of the measures implemented to strengthen the technical profitability (improved underwriting and pricing practices, cost reduction program, strengthening sales forces, establishment of an operational excellence program ...).

The Life business generates an operating result of around EUR 56 million.

After taking into account non-recurring items (EUR -72 million), the allocation to the flashing-light reserve (EUR -166 million) imposed by the BNB to the whole sector, and after taxes and transfers to untaxed reserves (EUR -3 million), 2015 closed with a net profit of EUR 50 million. It should be noted that the success of the "Switch IV" operation has allowed to stabilize the amount of the allocation to the flashing-light reserve for 2015.

The solvency margin under SI stands at 178.7 % and the margin under SII (applying the standard formula and with transitional measures) is estimated at more than 195 % for end-2015, thanks to various efforts undertaken throughout the year (reducing the duration gap, "Switch IV" operation, issuance of an additional subordinated loan ...).

2.1 Income

In thousands of EUR	31 Dec 2015	31 Dec 2014	Change (2015/2014)
Non-Life	**1,300,277**	**1,291,590**	**0.67%**
Public Bodies and Companies	738,920	738,068	0.12%
Private Individuals	561,357	553,522	1.42%
Life	**1,170,557**	**1,109,488**	**5.50%**
Public Bodies and Companies	1,115,539	1,051,459	6.09%
Private Individuals	55,018	58,029	-5.19%
TOTAL	**2,470,834**	**2,401,078**	**2.91%**

2.2 Part of the income by activity branch

	31 Dec 2015	31 Dec 2014	31 Dec 2013	31 Dec 2012	31 Dec 2011
Non-Life	53%	54%	47%	50%	51%
Life	47%	46%	53%	50%	49%

2.3 Premiums

In thousands of EUR	31 Dec 2015	31 Dec 2014
Non-Life	**1,300,277**	**1,291,590**
Work accidents	**250,770**	**263,279**
Premiums Law 1971	120,365	118,968
Premiums accepted reinsurance	130,405	144,311
Non-Life	**1,049,507**	**1,028,311**
Premiums	1,049,384	1,028,411
Premiums accepted reinsurance	123	-100
Life	**1,170,557**	**1,109,488**
Single premiums	208,255	153,732
Periodic premiums	946,786	938,859
Premiums accepted reinsurance	15,516	16,897
TOTAL	**2,470,834**	**2,401,078**

2.4 Benefits

In thousands of EUR	31 December 2015	31 December 2014
Non-Life	**802,916**	**780,777**
Claims incurred	764,203	764,944
Change in provision for claims to be paid		
Increase	38,713	15,833
Life	**1,898,387**	**1,671,407**
Direct benefits	3,902,481	1,902,020
Change in provision for Life insurance		
Decrease (-)	-1,904,274	-174,617
Change in the other technical provisions (Item D.)		
Decrease (-)	-99,820	-55,996
TOTAL	**2,701,303**	**2,452,184**

3 Fair review of the business development, the performance and the position of the company

3.1 Analysis of the results of the financial year

3.1.1 Private Individuals

Non-Life

The income in Non-Life Private Individuals amounts to EUR 561 million at end-December 2015 and slightly grows compared to end-2014 (EUR 554 million) thanks to the increase in the income realized in Car Insurance. About 85 % of the income results from the commercialization of Car and Fire Insurance products. The main part of the income is realized through our 42 regional offices spread over the Belgian territory and through our Call Centre.

The individual insurance activities in Non-Life showed a positive net technical-financial balance of EUR 143 million, compared to EUR 119 million at end-2014. This historic favourable result could be recorded thanks to the fact that there were no claims resulting from major events, on the one hand, and to the continuation of our programme of operational excellence that contributes to control administrative expenses, on the other hand.

This favourable evolution confirms the relevance of the strategic plan for restarting the commercial activity that is based on three key components: a unique multi-channel approach that allows Ethias to be closer to its insurants, innovation focussed on the customers' needs and giving priority to digital solutions and finally, operational excellence.

This is how, in 2015, Ethias received a double award for its Car Insurance: the DECAVI Award for "Best Civil Liability Car Insurance" as well as the Innovation Trophy for "Ethias Young Drivers", its insurance for young drivers that enjoys important commercial success.

2015 was also marked by major innovations with regard to the digitalization of our business, starting with the full overhaul of our internet site. This development not only allows us to enhance the customer experience by enabling the finalization of the online subscription for no less than 7 of our products, but also to adapt our site to the screen format of smartphones and tablets. We have also further integrated communication via text messaging in our file management process, i.e. in the Assistance insurance and in the administrative process of premium payment reminders.

In 2013, Ethias opened up its first Concept Store in Bruges. At present, 5 offices have already been adapted to this innovative trend. In 2015, our office in Charleroi was transformed and, within the context of intensifying our presence in the Brussels-Capital Region, our office in Woluwe-Saint-Pierre as well as our Flagship Store in Brussels were inaugurated. Physical proximity goes hand in hand with digital interaction in these offices.

The current redeployment of our authorized repairers' network should allow us to cope with the technical evolutions in the automotive sector in general and in that of car damage repairs in particular. Moreover, the modernization of this network will allow us to offer additional services that will increase the quality of our customer services.

Furthermore, Ethias has joined the Belgian College of Experts that awards the "Sustainable Repairs" label. Ethias wants to put its expertise in that field to the service of developing a sustainable process management within the automotive sector, thus meeting a real expectation from private individuals as well as from public authorities and businesses.

Life

In Life Private Individuals, the income amounts to EUR 55 million at end-December 2015 and, following the decision of the European Commission of June 2014[1], it results from fund replenishments on existing policies in Life and from the commercialization, since June 2015, of Branch 23 products (Boost Invest offerings). With its four investment funds, tailored to the different investor profiles of our insurants, Ethias thus re-enters the market as a direct Life insurer for private individuals.

The distribution of the Branch 21 Insurance products, "CertiFlex" and "Rent", for the account of Integrale, has brought in a premium income of slightly more than EUR 60 million.

The net technical-financial balance amounts to EUR -325 million compared to EUR -48 million at end-2014, the decrease being basically explained by the cost of the “Switch IV” operation of EUR 243 million.

The reserves in Life Private Individuals have drastically decreased during these last years (effect of the decision by the European Commission and of the Solvency II regulation), reaching EUR 2.983 million at end-2015 (compared to EUR 5.274 at end-2014). For nearly 50 %, they concern the reserves relating to FIRST A (FIRST products commercialized before September 2013 and benefitting from a guaranteed rate until the decease of the policyholder or until his/her 99th birthday). This is a product having an average guaranteed interest rate of around 3.44 % end-2015.

[1] This decision imposed, notably on Ethias, to stop marketing Life products, with the exception of Branch 23 products and Death Insurance products without Life component.

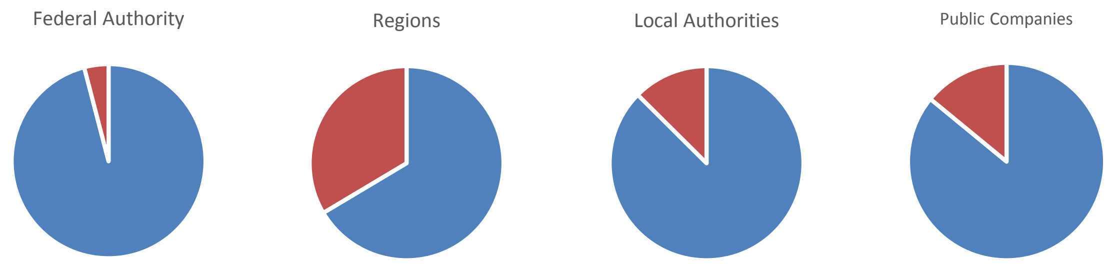
The decrease in the reserves results from the implementation of the "Switch IV" operation: end February 2015, 53,000 holders of a "FIRST A" account (that had been concluded before September 2003) were contacted to offer them a 4 years' interest bonus in case of full or partial surrender Nearly EUR 1.9 billion surrenders have been recognized thanks to this action, i.e. 57 % of the existing reserves. Despite its cost of around EUR 243 million (amount corresponding to the bonus of 4 years' interest), the action has allowed to considerably and recurrently improve our Solvency II ratio.

3.1.2 Public Bodies & Companies

Ethias: a multi-branch insurer

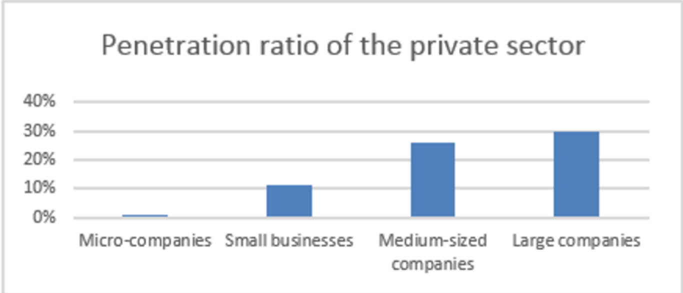
In 2015, Ethias' Public and Corporate Departments pursued its strategy of diversification: a **multi-product** - Life and Non-Life - insurer, **in every sector**, i.e. the public sector, the non-profit sector as well as the private sector.

Its **partnership strategy**, combining effectiveness and agility with operational excellence, confirms it success with the **public sector** as its market coverage reaches up to 90% and more.



Ethias is also intensely active in the non-profit sector, with more than 20,000 organizations putting their trust in the insurer, compared to nearly 3,000 in the public sector and more than 12,000 companies in the private sector. This success is due to **specific risk coverage**, such as: volunteers' civil liability, sporting accidents, organization of events, ...

Social policy	4,801
Culture	3,802
Protection of rights and interests	2,365
Education, research and development	1,289
Environment	517
Leisure	4,349
OFP	5
Philosophy and worships	802
Health	144
Sports	4,593



Ethias has a historic partnership with the public sector, but is also strongly developed in the **private sector**, with a predominance of **large and medium-size companies** (in particular through our brokerage distribution network).

Innovation at the heart of our concerns

Innovation is an essential factor in a highly competitive environment. Empowerment, mobility, cloud and data are the four keywords of these innovating business models. Ethias invests in innovation and integrates these criteria into the development of two web-based applications.

One application is dedicated to prevention: Ethias Prevention Reporter

The Ethias Prevention Reporter provides the possibility to realize prevention reporting, in situ, via geo-location, risk/claim categorization, voice recognition, photo/video, etc. This effective reporting tool also allows Ethias' clients to safe precious time on a daily basis.

With its Prevention Reporter, Ethias won its 19th DECAVI Award!

Ethias Prevention Corner: a key website corner for every Prevention Advisor. Anxious to promote the right prevention reflexes, Ethias has modernized and enriched its "Prevention Corner", the online platform for services and advice relating to security: tip of the month, videos and tutorials as well as numerous practical tools for any type of prevention service, such as info sheets, study and analysis sheets, various forms, etc.

Prevention: a concrete commitment

Nowadays, an insurer cannot afford himself to merely cover a series of financial risks, but has to adopt a comprehensive prevention risk policy, i.e. prevent and anticipate risks, reduce their occurrence and impact, and develop a true organizational culture around risk prevention. Ethias has maintained this momentum by proposing innovative initiatives in 2015.

A risk management audit for a company's overall assessment

Ethias Services proposes an audit in risk management accompanying a mapping of risks within an entity. Such a comprehensive approach of risk management will positively impact the company through:

- risk prevention and thus a potential reduction of the financial consequences in case the event does occur;
- a better view on the risks and thus a better adapted insurance coverage;
- a potential drop in insurance premiums thanks to improved risk prevention.

The 3rd edition of the Ethias Prevention Awards rewarding initiatives related to mobility and business travel

"Get noticed in prevention!" … "Share your initiatives and best practices!" … This edition of the Ethias Prevention Awards will reward the most innovating prevention projects relating to mobility and business travel, with special mention for the safety of children (in the category "Child Safety"). Hence, Ethias demonstrates its commitment to social responsibility in the field of prevention.

Expertise at the service of its affiliates

Ethias Services: services of high added value

The added value of an insurer lies in the advice he can give to his affiliates. For this purpose, Ethias intensifies the development of Ethias Services. Ethias Services gives support to the organizations in the actuarial, fiscal and legal aspects linked to their insurance policies or their pension funds management operations. Actuarial research to budget their costs, fiscal research to optimize their expenses, legal research to secure their commitments, etc. Ethias Services offers consulting, management and subcontracting services.

Knowledge sharing

In these times of collective intelligence and social learning, Ethias wants to share its expertise in statutory as well as in complementary pensions. Ethias' specialists led several information sessions and participated in various conferences on two reference works about the pension regulation in local authorities, statutory pensions of permanent staff members and of mandataries. These works, which the Ethias' specialist wrote themselves, have been published by Vanden Broele editions.

Finally, in September 2015, Ethias teamed up with Roularta Media Group and launched the "Trends Public Sector Newsletter", in which Ethias contributes to the section "Experts Speaking".

Training

Ethias also provides courses through the "Ethias Members' Academy" (EMA) or via other programmes: 450 persons trained in 20 days of EMA training, 200 persons trained via partnerships and more than 700 persons trained through sessions sponsored by Ethias. In 2015, Ethias also broadened its training and information programme with a focus on e-learning and video tutorials, as for instance, a tailor-made video presentation and information programme for one of our customers in the pharmaceutical sector.

Efforts are bearing fruit

At the end of the financial year 2015, the results of the Departments Public Bodies & Companies are once again positive, both in terms of profitability as in terms of growth.

The insurance activity "Public Bodies and Companies" shows a slight increase compared to 2014 with an income of more than EUR 1.8 billion.

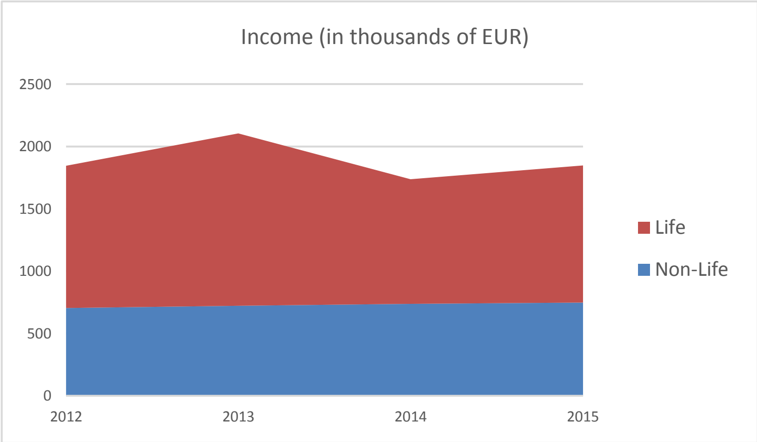
The **Non-Life** income in Public Bodies & Companies amounts to EUR 739 million at end-December 2015 and slightly grows compared to the income of EUR 738 million noted at end-2014 (in particular, as a result of an economic situation that is difficult for the public and private entities). The income increase in Health Care compensates the slight income decrease in Work Accidents. This income is realized up to 75% via our direct distribution network, the balance being realized through brokerage, and for nearly 60%, it is based on the commercialization of Work Accident and Health Care products.

The net technical-financial balance amounts to EUR 155 million and increases with EUR 10 million compared to end-2014.

The income in **Life** Public Bodies and Companies amounts to EUR 1.116 million at end-December 2015 and mainly results from the commercialization of Life Insurance products of the 1st and 2nd pillar (respectively pension insurance and group insurance, with an income of respectively EUR 806 million and EUR 272 million.). It grows by 6.09 % compared to the income of EUR 1.052 million generated end-2014, mainly as a result of the growth in the income of the 2nd pillar (single premiums collection).

The net technical-financial balance amounts to EUR 25 million compared to EUR 20 million at end-2014.

The Life reserves in Public Bodies & Companies amount to nearly EUR 8 billion at end-2015 for Branch 21. It has to be noted that the average guaranteed interest rate regarding the 1st pillar is adjusted annually in order to take account of the changes in the interest rates of the OLO 10 years. For the second pillar, the interest rate fell from 3.25 % to 1.75 % at the beginning of 2016 for new payments in accordance with the regulation in force.



Overall, the Life and Non-Life activities for Public Bodies & Companies show a **positive net result** of EUR 180 million.

3.1.3 Finance and asset management

3.1.3.1 Impact of the valuation rules on financial assets

The **properties** are capitalized at their purchase or cost price, including incidental expenses. Land is not depreciated. We remind that, in order to harmonize the depreciation principles between the Belgian and the IFRS accounting systems, the depreciation principles have been adapted for the new real estate acquisitions by favouring the component-based approach. The amount of depreciations stands at EUR 8.6 million by end-2015.

This rule also applies to the properties built on land belonging to a subsidiary and burdened by a real right of emphyteusis in favour of Ethias. For the other categories of assets, we remind hereafter the general principles and their impact on the accounts as of 31 December 2015.

The **associated interests linked by a participating interest** have been subjected to impairments (net of amounts applied and impairment reversals) for an amount close to zero.

The **shares** are subjected to impairments when the loss exceeds 20 % of the acquisition value during a period of 12 consecutive months preceding the closing. A depreciation of more than 50 % (without any time constraint and of rebuttable nature) will also be interpreted as an impairment. The amount of the impairment reversals (net of amounts applied and allocations to impairments) recognized in that way for this class of assets amounts to EUR 6 million.

Within the scope of the transfer of securities to shares, impairments previously recorded for an amount of EUR 7 million have been reversed. The difference between the acquisition value and the transfer value has been recorded at the level of the realized gains or losses.

The **bonds and other fixed income securities** have on the whole been subjected to impairment reversals / releases for an amount of EUR 8 million and give rise to differences in treatment according to the kind of securities.

Within the scope of the transfer of securities to bonds, impairments previously recorded for an amount of EUR 1 million have been reversed. The difference between the acquisition value and the transfer value has been recorded at the level of the realized gains or losses.

The valuation rule concerning the **fixed income securities** as well as the rule relating to the receivables was modified in 2014 in order to take into consideration the amendments relating to the Royal Decree of 17th November 1994 as detailed below:

In accordance with the principles of Article 19 paragraph 1, impairments are systematically applied to the fixed income securities mentioned in the sub-heading C.III.2 (with the exception of the perpetual securities. cf. below) and the receivables mentioned in the sub-headings C.III.4,5 of the assets, in order to reflect any risk that the counterparties of such securities and receivables do not fully or partially honour their commitments relating thereto, including, but not limited to, the probability that the reimbursement of these securities and receivables is in whole or partly uncertain or compromised. When the market value of these securities and receivables is permanently lower than their net book value, this circumstance is, unless proved otherwise, presumed to be an other-than-temporary impairment which is to be considered for the application of this provision. The application of the above rules and the decision to recognize an impairment or not is subject to an analysis at each balance sheet closing date. In that analysis, we take into account the following criteria to identify durable losses in value, on the one hand, and to assess whether the recognition of an impairment is required:

<u>Criteria for determining durable losses in value:</u>

- The insurance portfolio or separate management relating thereto;
- The ability of the company to hold these securities to maturity;
- The duration of the unrealized loss observed.

<u>The following criteria are taken into account to determine whether an impairment should be recognized:</u>

- A significant increase in credit spreads for listed issuers;
- A significant deterioration in credit rating;
- A voluntary or imposed restructuring of the debt;
- The occurrence of a credit event under ISDA rules;
- Significant financial difficulties;
- A failure to pay interests or principal;
- The disappearance of an active market for that financial asset because of financial difficulties;
- A significant decrease in the value of collateral or underlying assets.

The application of these rules on 31st December 2015 gave rise to impairment reversals for EUR 10 million.

The **perpetual bonds** are valued at LoCoM (Lower of Cost or Market) in accordance with the prescription laid down in art. 31 § 4 of the Royal Decree of 17 November 1994. These bonds are assessed on the basis of their market value or, in the absence of a listing on a regulated market, on the basis of a model price. These perpetual bonds which are representing an outstanding amount of EUR 314 million in nominal value, have been subjected to impairments for an amount of EUR 2 million.

The **loans** have for their part been subjected to impairments for an amount of EUR 7 million mainly offset by the use of a previously built up financial provision.

The **hedging against a decrease in the interest rates** has been carried out with the twofold objective of:

- Protecting ourselves partly against a deterioration in equity in case of an extension of the decrease in interest rates;
- Diminishing the equity volatility in economic value.

The derivative financial instruments, not qualified as hedges in the accounting sense, used within this framework, have been valued in accordance with the LoCoM principle. Impairments for an amount of EUR 44 million related to a nominal in swaptions of EUR 1.650 million have been recorded on these assets.

The derivative financial instruments used within the framework of hedging operations are valued in accordance with the prescription laid down in art. 36, sexies of the Royal Decree of 17 November 1994. On 31 December 2015, these forward bonds nominals amount to EUR 553 million.

The **monetary items** are valued at the exchange rate at closing date and the **non-monetary assets** are maintained in euro at their purchase price. Impairments on securities in foreign currency are calculated including currency impact. The amount of the allocations to impairments amounts to EUR 0,2 million.

We underline that, furthermore, provisions for financial risks were used for an amount of EUR 67 million. They mainly concern the default risks and the risks related to the financial markets.

The Board of Directors considers that the rules adopted by Ethias SA are in accordance with the Belgian accounting standards.

3.1.3.2 Comments with regard to PIIGS[2]

Ethias SA's exposure to peripheral sovereign debts in the Euro zone is distributed as follows on 31 December 2015: Italy and Spain account respectively for 2,88 % and 2,9 % of the book value of the portfolio assets.

[2] PIIGS is the acronym for Portugal, Italy, Ireland, Greece and Spain.

On 31 December 2015, the unrealized gains on the PIIGS amount to EUR 192 million.

It should be noted that Ethias made use of the possibility allowed by art. 27bis §4 of the Royal Decree of 17 October 1994, namely the spreading of the impairments resulting from the transfer of Greek sovereign bonds realized in 2012 for the amount of EUR 58 million. End December 2015, the stock still to be amortized amounts to EUR 13 million.

3.1.3.3 Investment policy

All the investments carried out by Ethias SA are to respect the various investment policies that describe the general framework in which the investments must fit as well as the roles and responsibilities of all interveners.

The so-called "general investment policy" covers the majority of the investments made and also aims at restricting and controlling the opaque products. In addition to this general policy, dedicated policies do exist for some specific asset classes such as real estate, alternative investments, strategic and financial investments and loans to individuals.

The different investment policies define the eligible investments, the strategic allocation of assets, the internal and external constraints, the objectives in terms of risk and return, and this in accordance with the asset and liability management policy as well as the investment guidelines that depend on the risk appetite of the company and on its medium and long-term financial objectives. Their aim is, inter alia, to ensure the quality and the liquidity of the portfolio, to reduce its complexity and to optimize its diversification and risk profile, while respecting the legal and internal limits as well as the directives and obligations imposed by the European Commission. The diversification of the portfolio is continued per asset class, but also for all the asset classes together and on different levels: type of assets, sector, country, maturity, issuer/counterparty, etc.

Special attention is paid to the Solvency II regulation and its implications for the assets management. The optimization of the portfolio composition has been implemented in 2015, having an impact on the asset allocation. Consequently, the processing under Solvency II is an integral part of the investment and asset selection process.

As in the previous years, the majority of the investments has been made in government bonds and corporate bonds. The exposure to opaque products, such as structured, securitized and complex products, continued to decrease. The exposure in shares slightly decreased over the year in order to reduce the portfolio's risk profile in preparation of Solvency II.

Regarding bond investments, the year was marked by high volatility in rates with, finally, a modest increase in the long term rates over the year. The weak visibility on the expected interest-rate movements and the fear that the interest rates will remain low for a longer period, prompted us over the year to invest gradually and particularly in Belgian and French sovereign bonds. We continued to extend the duration of our investments in government bonds, both via spot purchases and via forward purchases. Derivatives programmes have also been implemented in order to hedge against possible interest rate cuts.

The credit markets also went through a volatile year with a credit spread widening that was to be observed at the end of the year. The yield pick-up in relation to sovereign securities offered investment opportunities while respecting our internal limits and ensuring a satisfactory risk-return linking. Only bonds with an "investment grade" listing were eligible for purchase. The exposure to financial debts has been further reduced given the more stringent requirements of Europe in terms of "burden sharing" for the private sector in the event of capital inadequacy.

The real estate investments have also been continued in line with Ethias' intention to increase its exposure to this type of asset class through investments in nursing and care homes as well as in office buildings. Opportunities in Belgium's neighbouring countries are also taken into consideration.

The various actions taken to reduce the size of the Ethias' Life branch have once more required the preservation of a substantial liquidity cushion. However, longer-term investment solutions (deposits, monetary funds, etc.) were used to obtain an acceptable return while ensuring satisfactory liquidity and diversification.

As a responsible financial partner, Ethias also ensures to promote the compliance of its fundamental values through an investment code. A blacklist of prohibited investments is annually updated. The last version of this investment code was approved by the Management Committee on 7 December 2015. In its investment property, Ethias also prefers investments which strengthen its social role, such as investments in nursing and care homes.

3.1.3.4 The market conditions in 2015

In macroeconomic terms, 2015 showed an acceleration of European economic growth and a decline in unemployment throughout the year, even if the levels reached are still demonstrating a rather weak recovery. Furthermore, the fall by more than 50 % in oil prices in 2014 significantly drove down the inflation figures published in 2015, which even passed through negative territory in the first quarter of the year and remained close to 0 % at the end of the year.

The European Central Bank (ECB), whose purpose is to keep inflation just below 2 %, thus had to intervene to boost inflation expectations. As its main refinancing rate is already close de 0 % (0.05 %), the monetary institution decided to impact on the long-term market via the purchase of government bonds (Quantitative Easing). This measure, unprecedented in Europe, had also been put in place in the United States a few years ago and had just been stopped in the course of 2015 against the backdrop of economy recovery.

In anticipation of the official announcement of this European monetary easing, long-term rates decreased sharply until mid-April; the Belgian government 10-year rate falling from 0.83 % to 0.35 %, which is an all-time record. Until June, the monetary tightening in the United States as well as a renewed optimism reversed the trend and pushed that same rate above 1 %.

However, as from July on and until the end of the year, there was a progressive downward trend against a background of persistently low inflation and new measures by the European Central Bank who announced in December its decision to extend its bond purchases at least up to March 2017. The Belgian government rate ended the year at 0,97 %, i.e. an increase of 14 bps (basis points) compared to end-2014. As a whole, the short-term rates decreased whereas the long-term rates increased, the neutral point being around a 7-year maturity.

As for the peripheral countries, despite numerous political stirs related to various elections, the risk premiums remained relatively constant; it is evidence that the financial markets are, at least in the short term, appeased with regard to the European debt. It should be noted, though, that substantial disparities exist between the different countries. The Spanish growth, for instance, is well above the European average whereas Italy remains below. Spain, however, saw its risk premium increase because of the results of the Catalan and national elections.

On the corporate bonds markets, the 5-year iTraxx index - representing the risk premium related to the financing of businesses across all sectors - started the year at 63 bps to end around 70 bps. The year was volatile with a maximum of 92 bps and a minimum of 48 bps. Among the factors that pushed up the risk premiums, we should point out chronologically : the fears with regard to Ukraine, the monetary easing by the ECB, the political and economic crisis in Greece, the fears with regard to Chinese growth and the contagion to the emerging countries, the collapse in oil and raw material prices and, finally, the Volkswagen scandal.

This upward pressure on risk premiums was offset by a steady demand for corporate bonds, lowering the total returns. Indeed, corporate bonds proved a tremendous success given the demand for yield and the lack of alternatives, in particular the low yields offered by government bonds.

The stock markets were also highly volatile; the fluctuations were mainly due to the announcements about the decisions taken by the central banks and to the movements of the price of a barrel of oil.

The promises by the ECB president to do everything possible to increase inflation expectations pushed the stock markets up until mid-April with a performance of +20 % on the EuroStoxx50 since the beginning of the year. Volatility started to increase - and markets to drop - in the second quarter at the approach of the maturities of the loans that Greece owed its creditors. It reached its highest level during the summer with the devaluation of the Yuan, and continued with the fears about an increase in interest rates in the US. The EuroStoxx50 fell by -15 % between the highest levels of April and the lowest of August. Volatility only faded (end-October) when the US Federal Reserve was clearer on the timing and pace of increases in interest rates and when the ECB announced possible monetary easing measures.

Taking everything into account, the EuroStoxx50 took advantage of the BCE's ever accommodating policy and increased by +3.84 % over the year whereas the US indices finished in negative territory in anticipation of an increase in interest rates and against the backdrop of economic growth without great surprise (S&P: -0,73 % and Dow Jones: -2,23 %).

The consumer and construction sectors performed well. Leisure and Travel (+28.14 %), Construction (+22.91 %), Food and Beverages (+21.45 %), Luxury (+19.22 %) and Distribution (+18.49 %). The sectors associated with Raw Materials and Banks widely underperformed: Raw Materials (-13.14 %), Utilities (-5.42 %), Banks (-4.94 %) and Oil (-4.02 %).

3.1.4 Overhead costs

In accordance with the financial forecast, the overhead costs are on the decrease by 5 % compared to 2014: EUR 311 million in 2015 vs. EUR 328 million in 2014. The implementation of the savings plan and the application of the new accounting rule for activating IT expenditure explain this evolution.

The remuneration costs amount to EUR 176 million end-2015. They decrease by 4,5 % compared to 2014 due to the limitation of the recruitment plan, the reduction of the number of FTEs and the bringing down of the expenses in relation to the group insurance.

IT costs amount to EUR 66 million at end-2015. They decrease by 18 % compared to 2014 because of the application of the new accounting rule for activating IT expenditure and of a reduction in infrastructure costs.

Miscellaneous goods and services stand at about EUR 56 million end-2015. They decrease by 11 % compared to 2014 mainly due to the implementation of the savings plan, in particular the reduction of the appeal to consultancy.

3.2 Profit sharing and refunds

The following profit sharing and refunds are proposed:

Life Activities

- **Group Insurances**

  Increase of death benefit by 25 % (or possible decrease of death benefit by 25 %). For 1st pillar life insurance contracts, with the exception of those of which the assets are managed in a limited fund, the granted net yield amounts to the guaranteed interest. For 2nd pillar life insurance contracts, with the exception of those of which the assets are managed in a limited fund, the granted net yield amounts to the guaranteed rate.

  For contracts of which the assets are managed in a limited fund, the profit sharing is paid in accordance with the stipulations of the fund.

- **Individual Insurances**

  No profit sharing "death" is proposed, with the exception of a possible decrease in the periodic premium of old "outstanding balance contracts".

  For the contracts FIRST, FIRST Invest, FIRST Junior and Top FIRST, the granted net interest rate amounts to the guaranteed interest rate and no profit sharings are provided.

  For traditional life insurance contracts, the granted net yield amounts to the guaranteed interest rate.

- **Interest rate contracts**

  No profit sharings are provided, with the exception of the contracts of which the assets are managed in a limited fund and for which the profit sharing is in accordance with the stipulations of the fund.

- **Capitalization contracts (Branch 26)**

  No profit sharings are provided for these contracts.

Non-Life Activities

No refunds are granted.

3.3 Regulatory coefficients

3.3.1 Condition relating to the explicit solvency margin

Margin to be constituted (in thousands of euro)	**Total of the components** (in thousands of euro)	**Coverage ratio**
719,778	1,286,545	178.74 %

3.3.2 Coverage of technical liabilities (with limits)

Covering assets (in thousands of euro)	**Provisions and technical debts** (in thousands of euro)	**Coverage ratio**
17,415,427	15,888,638	109.61 %

3.4 Evolution in equity

Figures in thousands of euro	2015				
	Subscribed capital	**Revaluation surplus**	**Reserves**	**Result carried forward**	**Total**
Equity as of 1 January	**1,000,000**	**33,881**	**20,443**	**75,966**	**1,130,290**
Result	0	0	0	50,451	50,451
Capital movements	0	0	0	0	0
Dividends	0	0	0	-45,000	-45,000
Other movements	0	-696	3.581	-2,525	360
Equity as of 31 December	**1,000,000**	**33,185**	**24,024**	**78,892**	**1,136,101**

Figures in thousands of euro	2014				
	Subscribed capital	**Revaluation surplus**	**Reserves**	**Result carried forward**	**Total**
Equity as of 1 January	**1,000,000**	**34,577**	**17,332**	**210,858**	**1,262,767**
Result	0	0	0	-134,892	-134,892
Capital movements	0	0	0	0	0
Dividends	0	0	0	0	0
Other movements	0	-696	3.111	0	2,415
Equity as of 31 December	**1,000,000**	**33,881**	**20,443**	**75,966**	**1,130,290**

3.5 Assessment of internal control

The preparation of the report on the assessment of the internal control system is in conformity with the BNB circular 2015_21 on internal control as well as with the COSO 2013 standards (Committee of Sponsoring Organizations of the Treadway Commission).

In terms of control environment:

- Ethias pays attention to the respect of the integrity and the ethical values it enshrines;
- Ethias aims at reaching its objectives through a clear definition of its organic structures and of the appropriate competences and responsibilities.
- Ethias shows its commitment to attract, train and hold competent co-workers in accordance with the objectives of its three-year plan;
- Ethias compels all its co-workers to assume their responsibilities regarding internal control.

In terms of risk assessment:

- Ethias ensures a clear definition of the objectives assuring the identification and assessment of risks linked to its objectives.
- Ethias identifies the risks linked to the achievement of its objectives within the scope of its responsibilities and regularly analyses these risks in order to determine the appropriate management modalities for its risks.
- Ethias integrates the internal and external fraud risk in the assessment of risks that can compromise the achievement of its objectives.
- Ethias identifies and regularly assesses the changes that could have a significant impact on its internal control system.

In terms of controlling activities:

- Ethias develops and/or reviews its controlling activities by means of guidelines which specify the objectives and procedures implementing these directives.
- Ethias selects and develops the controlling activities - including information technology general controls - that contribute to the maintenance or decrease of risks linked to the achievement of its objectives at acceptable levels.

In terms of information and communication:

- Ethias communicates internally the information which is required for proper functioning of the other internal control components, more specifically by obtaining relevant and qualitative information.
- Ethias communicates with third parties on the points that may affect the functioning of other components of the internal control.

In terms of steering:

- Ethias realizes permanent and/or punctual assessments to check if the internal control components have been developed and are operable.
- Ethias communicates, in due time, an assessment of the internal control's deficiencies to the persons responsible for corrective measures, in particular to the Management Committee and to the Audit and Risk Committee.

As with any internal control system, the system implemented by Ethias can only provide an absolute guarantee when the risks are completely excluded. Therefore, the system only provides a reasonable assurance with respect to the realization of its objectives. The system constantly evolves and was strengthened in 2015 through:

- Regular review of the risk limits;
- Regular review of its internal policies tailored to the risk appetite;
- Implementation of a data governance and improvement in process documentation;
- Continuous improvement of practises aiming at operational excellence;
- Implementation of policies relating to continuity and security;
- Continued compliance with the MiFID regulation.

However, the internal control system of Ethias can still be improved on certain points since:

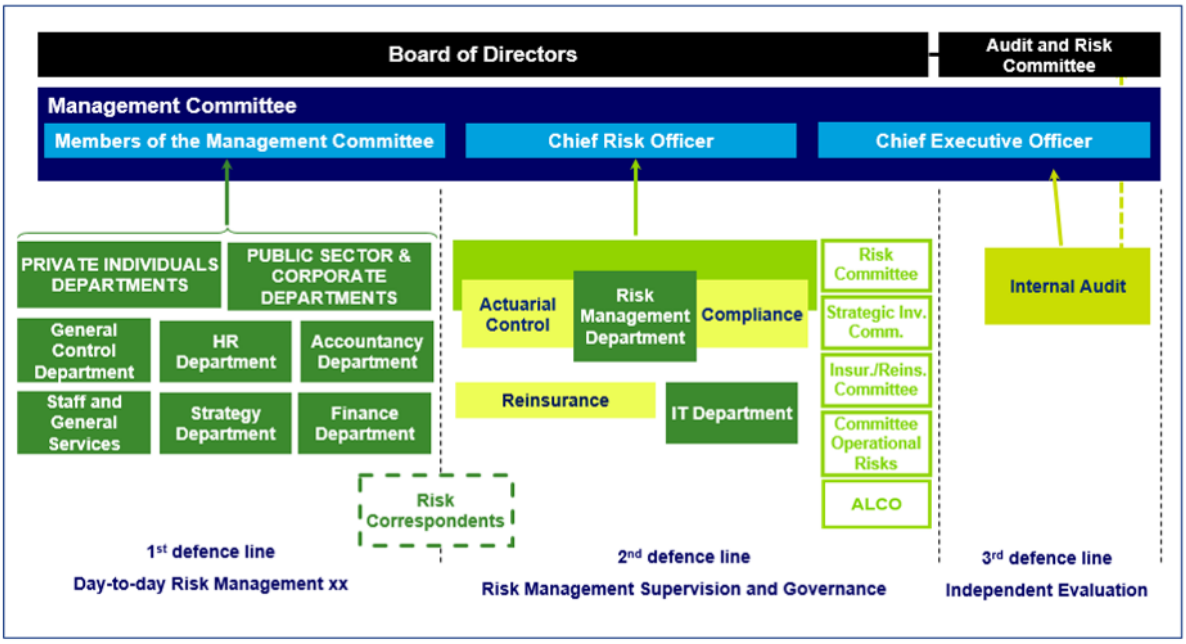
- The formalization in the implementation of a federated control plan for the Solvency II value chain has to be finalized;
- The reliability of the information has to be improved;
- The roll-out of the policies relating to continuity and security has to be continued through the implementation of the BCP, the formalization of back-up procedures and the review of access management;
- The procedures need to be more formalized and the checks that are carried out should be better documented.

The conclusions drawn from our assessment of the internal control system have led us to pursue our efforts to bring about improvements in these domains.

3.6 Main risks (exposure and management policy) and use of the company's financial instruments

3.6.1 Governance with regard to risk management

Good governance of an insurance company requires the introduction of the following functions: Internal Audit, Compliance, Risk Management and Actuarial Control. These are not only independent control functions but also governance functions. Their conclusions and advices are translated into measures to reinforce the management structure, the organisation and the internal control. These functions are structured in such a way that they constitute three "defence lines":



First defence line - Daily risk monitoring

The first defence line is provided by the operational lines and the support functions (Accounting, IT, Human Resources, Management Control, Strategic Cell, etc.) This defence line is made up of persons who are responsible for risk control, since they integrate the principles of efficient Risk Management (implementation of controls, four-eye principle, etc.) day after day into all task that have to be fulfilled.

The operational lines and the supporting functions are responsible for the activities that are attributed to them. Consequently, as such, they are responsible for the management of the risks that emanate from these activities: application of risk management and implementation of action plans.

Ethias sees to it that every employee has a suitable understanding of the risks that are likely to threaten the correct realization of the activities he/she is responsible for. So, each employee is responsible for the identification and the evaluation of the risks that are incurred on an ongoing basis.

Furthermore, a network of risk correspondents within the operational lines and the support functions, composed of the Risk Management correspondents and the Legal & Compliance Cells, permits to benefit from the technical skills of the experts in the field. These correspondents are points of contact who have the responsibility to relay to the CRO all the information that is essential for the accurate organization of risk management. Functionally, they are answerable to the CRO.

Finally, actuarial expertise is represented at two levels: at the level of the first defence line, i.e. within the operational lines, in order to execute actuarial work serving tariff operations and aspects (e.g. reserve calculation) as well as at the level of the second defence line via the department of Actuarial Control that is answerable to the CRO (cf. next section).

Second defence line - Risk supervision

The second defence line is provided by the entities that are hierarchically answerable to the CRO: Compliance, Risk Management and Actuarial Control. The CRO is a member of the Management Committee, thus allowing direct communication of risk related problems to the major decision-making organ.

The Chief Risk Officer has to make sure that the structure of Ethias' risk management is operational and has to improve its efficiency. The entities that are hierarchically answerable to the CRO assist him in his evaluation of the company's risk profile, of its alignment with its strategy and risk appetite as well as in the identification of future risks.

This defence line, which is independent of the first one, maintains a methodological framework and underlying processes that allow the control and the supervision of the implemented risk management structure. In the event of exceeding the risk profile wanted by Ethias, it intervenes at operational level to initiate changes and to help the first defence line in the resolution of problems.

The network of risk correspondents permits a decentralized structure, close to operational matters while keeping up a central expertise, in particular, with regard to risk quantification.

This also facilitates the intervention of the second defence line’s control functions as an assistance to the first defence line, when setting up corrective actions allowing to remedy the identified deficiencies.

Finally, to reinforce Ethias' risk governance, its Management Committee has decided to set up five committees dedicated to risk management:

- The Risk Committee;
- The Strategic Investment Committee;
- The Insurance and Reinsurance Committee;
- The Operational Risk Monitoring Committee;
- The ALCO (a committee whose mission is to contribute to the protection of Ethias in its liquidity, profitability and solvency aspects [SI and SII] through the alignment of the company's assets and liabilities).

In fact, these committees are monitoring, decisional and reporting instruments as far as risks are concerned. Each committee is chaired by a member of the Management Committee. It was the will of the Management Committee and of the Board of Directors to create "strong committees", so as to set up effective risk governance within the company. It is also with this aim in view that the responsibilities of each committee have been clearly established.

Third defence line - Independent evaluation

The third defence line is provided by the Internal Audit. This defence line provides an independent review of the quality of risk identification, measurement and control procedures. In order to secure its independence, this identity reports directly to the CEO.

3.6.2 Solvency II

From November 2009, the Management Committee of Ethias SA has approved the launching of the "Solvency II Programme". This programme is a set of transversal projects within the company regarding governance, modelling, IT, management of databases and setting up of processes which aim at reaching the standards required by Solvency II.

Ten major releases have been supplied which provide the basis of the operationalization of Solvency II, and which also benefit to the entire company. Two dry-runs of an annual solvency calculation have been carried out, as well as a quarterly calculation.

The installation of the infrastructure and of the processes relating to Solvency II has been carried out while constantly taking into account the potential synergies with the whole company, for example:

- The need for data will be covered in particular by an enterprise data warehouse;
- The requirements relating to the production deadlines of the Solvency II reports integrate a general "Fast Close" program (a project with the aim of shortening the deadlines for the transmission of the data needed for the production of all internal and legal reports);
- The data requirements have led to the organization of a comprehensive project for data governance;
- The acquisition of a Non-Life simulation tool makes it possible to take better account of risks in corporate decisions.

In 2016, the aim is to finalize the operationalization of the Solvency II chain.

An "S2 Readiness" project has been implemented to meet, in the 3 pillars of Solvency II, an acceptable level of compliance on 1 January 2016 and to reach the target maturity level in the course of 2016.

3.6.3 Risk appetite

Ethias' risk appetite, adapted to Solvency II, has been approved by the Board of Directors and it is based on 4 main axes: solvency, profitability, liquidity and operational excellency. Each of these axes is then developed so as to specify the objectives and the guidelines to set up.

3.6.4 Insurance risks

The management of insurance risks is integrated in the corporate management/business management as follows :

1. In the Public sector, policyholders do respect the guidelines that determine the limits as regards subscription. These limits concern both the general and particular conditions of the contracts, the setting of prices and the degree of risk. They also determine the level of power granted according to the hierarchic level and the procedures to be followed, an “Acceptance Bureau” deciding at the operational level in the last instance.
2. For private individuals, the policyholders are subject to risk acceptance procedures that follow the hierarchical lines and to limits that are implemented in the IT systems.
3. The actuarial department and the reinsurance department determine the company's reinsurance needs. The treaties are reviewed every year according to the company's underwriting capacities and the requests from production.
4. Tariffs are established by underwriting actuaries and are submitted to Actuarial Control for an opinion. Actuarial Control also formulates opinions, in an independent manner, to the Management Committee, on the technical/underwriting profitability of the products, as regards reinsurance, on the adequacy of the technical provisions, on ALM management and as regards profit sharing.
5. The Insurance and Reinsurance Committee follows the technical risks of the existing products, analyses the mitigation actions of the technical risks, analyses the modifications to existing products or the proposals for new ones and supervises the reinsurance program. It reports to the Management Committee for validation.
6. The business lines annually draw up a report on the technical risks to which the company is exposed. This report highlights the portfolio's risk profiles as well as their significance and it presents the results of the adequacy analyses of the reserves. It is examined by the Insurance and Reinsurance Committee and then submitted to the Management Committee who, if necessary, takes the appropriate corrective measures.
7. Any new product or any modification to existing products has been previously analysed by the "Products and Markets Management" department for Private Individuals and by the departments "Life" and "Non-Life" for Public Bodies & Companies. All the aspects of the product are then considered: marketing, legal, fiscal, profitability, ALM constraints, compliance, etc., in accordance with the procedure for creating a new product or modifying an existing one validated by the Management Committee of Ethias SA dated 17 November 2014 and 21 December 2015.

3.6.5 Financial risks

The management of financial risks is integrated in the corporate management/business management as follows :

1. The financial managers must abide by the investment policies and the investment code and they should ensure that their positions do not exceed the financial limits and do respect the asset allocation.
2. The Financial Department weekly organizes a Tactical Investment Committee that decides on which actions to carry out, on the one hand, within the context of the above-mentioned constraints and, on the other hand, according to the guidelines and the decisions emanating from the Strategic Investment Committee.
3. The Strategic Investment Committee has the task of setting out the guidelines for investments and to monitor the portfolio's according to the investment policy approved by the Board of Directors. It reports to the Management Committee for validation.
4. The financial portfolio composition and values are monthly monitored through the Investment Dashboard. A quarterly report regarding financial risks provides a comprehensive view of the financial risks to which the company is exposed. It contains the risk exposure profile of the assets in portfolio and it presents the results of the sensitivity analyses of the portfolios’ value.

3.6.6 ALM risks

Quarterly ALM reports prepared by the Risk Management Department permit to diagnose the asset-liability management and the liquidity situation and to define the necessary corrective measures. These reports are analysed by the ALCO Committee and presented to the Management Committee which takes, if necessary, the corrective measures required and which determines the specific steering of certain identified risks.

More generally, the ALCO Committee's mission is to contribute to the protection of Ethias in its aspects relating to profitability, liquidity and Solvency II positioning. This Committee is responsible for validating the strategies regarding ALM, investment, commercial development and for assuring their follow-up, for validating the strategic asset allocation (SAA), for ensuring consistency with the risk appetite, and for analysing the possibility of granting a profit sharing.

3.6.7 Operational risks

As regards operational risks, Ethias SA has adopted the Basel II typology which aggregates the important operational risks, likely to cause very serious losses, in seven categories:

- Internal fraud,
- External fraud,
- Practices regarding employment and safety at work,
- Customers, products and business practises,
- Execution, delivery and process management,
- Damage to tangible assets,
- Business disruptions and system failures.

Information security and business continuity are integrated into operational risk management with a view to optimization.

A mapping of the risks related to business processes has been realized by the Chief Risk Officer. These risks have been ranked in terms of frequency / impact and categorized through a self-assessment process followed by assisted evaluation. A series of actions to be implemented have been selected and carried out. The mapping process is recurring.

The Chief Risk Officer also implemented:

- a feedback process for operational incidents of any kind. This should eventually allow to identify incidents of structural origin;
- an information monitoring process allowing to follow-up the threats that the company might face.

The administrative management of complaints and the analysis of statistics on complaints also falls within the competence of the Chief Risk Officer

The Operational Risk Monitoring Committee monitors operational risks (including compliance risks) and it analyses and suggests guidelines for corresponding mitigation/management measures. It reports to the Management Committee for validation.

3.7 Reinsurance

Reinsurance lies within the control process of insurance risks. It also contributes to the improvement of the solvency ratio.

The main insurance risks of Ethias SA concern damage and civil liability insurances, liability of motor vehicles and catastrophe risks (natural or human) on people and/or goods.

These risks are covered by means of reinsurance treaties and facultative reinsurance contracts for the risks outside the treaties' scope. The majority of these contracts are concluded on a non-proportional basis.

The reinsurance programs are divided into four major parts: Non-Life insurance, liability insurance, motor vehicle insurance and personal insurance (accidents at work and death/disability insurances). Each year, they are reassessed to meet the needs of production taking into account the reinsurance market, the evolution of equity and the hedging purposes of the solvency margin.

Reinsurance premium rates on the market are on the whole trending downwards given the absence of major disasters worldwide and the substantial spare capacities.

There has been little change in reinsurance programs between 2014 and 2015. We benefited from the favourable reinsurance context to continue purchasing additional capacities in Catastrophe Damages and Catastrophe Personal Accidents. On the whole, our reinsurance cost is stable.

Ethias SA reinsures 95 % of the activities of Ethias Droit Commun aam (mutual insurance association).

3.8 Information regarding environmental and staffing matters

Firmly anchored in the multiannual dynamics of its Corporate Social Responsibility (CSR), Ethias pays special attention to the environmental and social implications in all its activities. Environmentally speaking, this awareness to sustainability issues has also been the subject of several concrete achievements in the company's second "Societal Actions Plan 2009-2013", actions that will be pursued in the new plan for 2014-2019.

Amongst the actions developed within the framework of the multiannual plans, Ethias has established a firm policy in the following fields:

- Reduction of its fossil energy consumption;
- Reduction of carbon emissions generated by its business;
- Management of waste, packaging and worn consumables;
- Management of suppliers in accordance with ethical standards and with sustainability and proximity criteria.

Hence, Ethias takes into account the overall acquisition cost in its choice of suppliers and products.

To achieve these objectives, Ethias has launched in 2012-2013 - and has pursued in 2015 - the following major projects that complement its previous investments:

- Socially responsible purchases: definition of selection criteria for suppliers (proximity, sustainability criteria, ethical standards, ILO, etc.);
- Environmental management: quantification of the decrease in consumables (energy, water, paper, waste) and implementation of corrective and/or innovative measures in order to reduce our emissions (automatic power cuts for lighting, machines, etc.);
- CSR certification: a measurable and objectifiable certification for Equipment & Infrastructure (ISAE 3000);
- Sustainable Real Estate: technical renovation of the regional offices;
- Mobility: adapting infrastructure to "green mobility" and incentive to "gentle mobility".

In detail, the actions undertaken in 2012-2013, and listed below, continue:

- Conclusion of electricity supply contracts favouring the "green label with guarantee of origin". This guarantees the supply of energy produced by hydroelectric, wind, cogeneration or solar means;
- In partnership with the company “CO2Logic”: an annual measurement of the carbon footprint resulting in an annual action plan to reduce the footprint;
- Partnership with Bpost for the CO_2 compensation of postal mailings:
- Setting-up of a "slow food" policy in the company restaurant (85,000 meals per year) and selection of local suppliers adhering to the "Ethias Food Charter" and organic/sustainability labels;
- Implementation of the "sustainable commercial agency" concept;
- Modernization of production equipment and management of heating/air conditioning;
- Introduction of "sustainable, societal and proximity" criteria in the selection of goods and suppliers;
- Application for international ISAE 3000 certification for environmental performance management.

Being well aware that carbon emissions linked to commuter traffic have a particularly strong environmental impact, Ethias has developed a mobility plan based on several pillars. The use of public transport and carpooling have thus been the subject of an internal awareness policy. Ethias, in partnership with the Walloon Region, has also supported and participated in "Tous vélos actifs", a cycling initiative to promote other commuting alternatives. For its initiative, Ethias has been awarded the 3-star label "Tous vélos actifs". Projects for adapting the real estate infrastructure accordingly are being developed. As a socially responsible company, Ethias has also supported alternative mobility programs set up by public authorities, such as the "Covoit-stop" initiative. For the last two years, Ethias has put bicycles (some of which are electrical) at the disposal of its staff for short trips at lunchtime. In addition, a free electric charging station for bicycles was installed in its car parking.

Since 2008, the company applies an environmental measure to its company vehicles: a carbon emission limit rate has been set for each category of company cars. The control of carbon emissions is a priority action plan for Ethias. In addition to its CSR Report, Ethias now publishes its own "carbon report". This report includes the company's carbon footprint (calculated by CO_2logic). Within a period of five years, Ethias has succeeded in halving its carbon footprint. As an insurer, Ethias is well aware of the impact of adverse weather conditions on the claims frequency of its policyholders. Hence, Ethias also launched in 2012 a prevention service with text message warnings for public authorities in case of severe weather conditions. The concern of Ethias to percolate sustainable behaviour throughout society is reflected in the company's willingness to offer innovative tariffs for the insurance of electric or hybrid cars or vehicles of which the driver aims at reducing its annual mileage.

Furthermore, in accordance with its values of humanism and ethics, Ethias has ensured that the general terms of all purchase orders include an article according to which suppliers commit themselves (as well as their potential subcontractors and manufacturers) to respect the basic principles of the International Labour Organization (ILO): prohibition of child labour, respect for freedom of association, elimination of all forms of forced labour, prohibition of discrimination in employment and occupation. The company also makes its subcontractors aware of this problem. The Ethical Investment Code of Ethias includes a blacklist of investments, based on international referencing entrusted to an external agency (RFA), and also integrates these criteria regarding the ILO standards, in addition to the ban on businesses directly or indirectly involved in the production or the sale of controversial arms (depleted uranium, cluster bombs or anti-personnel landmines). Our company restaurant favours local and seasonal products with organic label. Since 2014, Ethias has continued in this direction by integrating variants of "eco sustainable" labelled products and techniques into its works tenders. This reflection should allow to offer a genuine "responsible" alternative.

Moreover, Ethias regularly welcomes vocational trainees in collaboration with various training centres (FOREM, schools, non-profit organizations, etc.). The company's workforce has evolved in line with the strategic plans. Since 2011, each employee is assigned objectives aligned with the strategic plan of Ethias. In July 2011, employees were given their job description.

Continuous development of skills and lifelong training are another important goal. In this perspective, the Ethias Competence Centre (ECC) is open to all staff members and offers a growing range of technical, commercial, behavioural and managerial trainings.

Continuous training sessions are organized for the commercial (sales) network, with the aim to develop and maintain technical skills in insurance.

The work conditions, of which the quality is the result of a constant and constructive dialogue with the trade union organizations, are considered essential motivational factors.

Finally, career management as well as forward planning of employment and skills are two ways of HR development for the coming years. In March 2006, an internal Diversity Charter was adopted by Ethias in order to promote pluralism and to seek diversity through recruitment, integration and career management as a factor of progress for the company. This internal charter and the Equality-Diversity Label, awarded by the Federal Public Service for Employment in March 2007 for a period of 3 years, demonstrate Ethias' commitment to gender equality and to cultural, ethnical and social diversity. Although the prohibition of discrimination and the principle of equal opportunities are already explained in the Social Ethics Code of Ethias, the charter and label are intended to reaffirm these principles by deepening and materializing them within the company. In this perspective, a Diversity Committee - composed of well-qualified staff in this field and of several staff representatives - takes the lead in developing concrete actions to be further implemented within the company and submitting them for approval to the Ethics Committee of Ethias.

Their line of thinking has in particular led to the establishment of the following project: the participation of Ethias in the "Duo-day", in partnership with the Walloon Agency for the Integration of Disabled People, which aims at better integrating people with disabilities into the labour market..

In September 2014, a plan for keeping employees aged over 45 at work, was adopted by the works council in accordance with the collective labour agreement No. 104. This plan, with a duration of two years, provides numerous measures in favour of this target group. These measures were implemented in 2014 and have been pursued in 2015. Some examples:

- Encouraging career development for employees aged over 45 (awareness raising, training programmes, etc.)
- Also raising awareness amongst managers and co-workers about the assets of every age group by favouring an intergenerational approach to age management. Such an approach should be an eye-opener for the riches of each generation and for making greater use of their complementarities.
- Establishing a mentoring system to promote the transmission of company values.

4 Events occurring after the financial year was closed

4.1 Run-down of the Life insurance activity for Private Individuals

To further reduce Life reserves in Private Individuals, Ethias launched on 4 December 2015 the "Switch V" operation (running until 19 February 2016), which consists of offering to the holders of a "FIRST A" contract an exit premium equal to 10 % of the mathematical reserve upon full surrender or upon partial surrender provided that the surrender rate is 50% or more of the mathematical reserve.

At the end of February 2016, surrenders amounting to EUR 60 million were recorded.

4.2 Tax dispute

In the course of February 2016, Ethias SA lodged an appeal with the Court of Cassation for the years decided on appeal (see item 1.6.).

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

5.1 European Commission

The decision by the European Commission of 12 June 2014 sets out a series of commitments that Ethias must meet until 31 December 2016 (this deadline may be shortened or extended by the European Commission under certain conditions).

These commitments, both those related to the run-down of the portfolio Life Individuals and those on risk management, on technical profitability and on respect for the "reinvestment guidelines", were met at the end of December 2015 and will continue to be met until the end of 2016.

5.2 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.

5.3 Control of overheads

It was decided to reduce overhead costs by 10 % in order to improve the performance of Ethias. This decision was necessary to strengthen the profitability of Ethias in the current macroeconomic and competitive environment. The savings plan should allow to provide approximately EUR 45 million on a yearly basis from 2017 onwards.

5.4 Guidewire

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 2nd quarter of 2017.

6 Research & Development

Ethias aims to differentiate itself from its competitors by offering its customers insurance services characterized by their values of availability, responsiveness, ease-of-use and expertise.

This approach requires ongoing development and optimization of quantitative risk models, particularly to comply with the new legislation, such as Solvency II. To implement this ambitious new European regulation, Ethias has been developing since 2008 a major R&D project to produce new actuarial models for managing financial, operational and Life/Non-Life insurance risks, as well as new tools for mapping these risks and various possible incidents. This work will lead to a complete and drastic overhaul of all the company's risk models and to the development of IT tools that go well beyond the current state of art.

In addition, to support the technological change and the new constraints following the implementation of Solvency II, Ethias' IT department employs about thirty people for steering and monitoring the outsourcing activities as well as the implementation of a corporate IT architecture. Indeed, over the years, many applications have been developed by the Ethias IT department on mainframe systems in order to provide customers with insurance services. Today, these systems have serious limitations in scalability, interoperability and performance and do not effectively meet the new mobility needs requested by the customers.

Hence, it is primarily to address these issues that engineers of Ethias' IT department are conducting research and development activities.

7 Justification for the independence and competence of the members of the Audit and Risk Committee of Ethias SA

The Audit and Risk Committee is composed of four non-executive directors, amongst whom two independent directors. To strengthen the efficiency of this committee, the chairman and the vice-chairman of the Management Committee, the internal auditor, the CRO and, where appropriate, the recognized statutory auditor also attend these meetings, but without being member.

The Audit and Risk Committee is chaired by Mr Claude Desseille and also includes Mr De Lembre, Mr Duron and Mr Grafé.

Mr Desseille holds a master's degree in Actuarial Sciences, Mathematics and Astrophysics. He also has a rich experience within the field of insurance and finance. He was inter alia chairman and CEO of Winterthur Europe Insurances and member of the Board of Crédit Suisse Financial Services, director of the BBL and chairman of Assuralia. He meets the independence criteria defined in Article 526 ter of the Belgian Company Code. He meets the independence criteria defined in Article 526 ter of the Belgian Company Code.

Mr De Lembre is doctor in economic sciences. His professional career was dedicated to the auditing of enterprises and to university education in the fields of Belgian accounting rules, IFRS standards and internal and external audit. As a partner of Ernst & Young, he was an auditor, recognized by the CBFA, for banks and listed companies. He was also chairman of Ernst & Young Belgium and professor at the University of Gent and at the Vlerick Management School Leuven Gent. Mr De Lembre is furthermore chairman of the Board of Directors of Ethias SA and of Vitrufin SA.

Mr Duron holds a master's degree in Mathematics and in Actuarial Sciences. He has a rich experience in the financial sector as commissioner of the Bank Van Lanschot, as director of Van Breda Risk & Benefits, as chairman of KBC Bank & Insurances Holding and, subsequently, as chairman of the KBC Group. He meets the independence criteria defined in Article 526 ter of the Belgian Company Code. He meets the independence criteria defined in Article 526 ter of the Belgian Company Code.

Mr Grafé is doctor in law and honorary lawyer specialised in trade matters and his political career spans many years. As a member of the monitoring committee and, subsequently, director of Ethias during many years, he was chairman of the Board of Directors between 2001 and 2007. Mr Grafé was inter alia chairman of the College of Commissioners of Intermosane, former chairman of the Board of Directors of the "Office Régional de l'Informatique" and of the Standing Committee "Commercial and Economic Law" of the Chamber of Deputies.

8 External offices exercised by the leaders of Ethias SA (on 31/01/2016)

In accordance with the CBFA circular PPB-2006-13-CPB-CPA on the exercise of external functions by the leaders of insurance companies, we publish a list with the external offices exercised by the directors and the effective leaders of Ethias SA in other companies than those with which Ethias SA establishes a close relationship.

Are not included in the list of external offices exercised in collective investment undertakings: asset-holding companies and so-called "management companies".

Directors of Ethias SA			
Name	**Company**	**Registered office**	**Office exercised**
Braggaar Jacques	Société wallonne des aéroports	avenue des Dessus-de-Lives 8 5101 Namur	Director
De Lembre Erik	C.L.U. Invest	rue des Chartreux 45 1000 Brussels	Chairman of the Board of Directors
	Partena Business Services	rue des Chartreux 45 1000 Brussels	Chairman of the Board of Directors
Desseille Claude	2 I Immo Invest	Bois Héros 15 1380 Lasne	Chairman of the Board of Directors
	Actualic	avenue des Myrtilles 56 1180 Uccle	Manager
	Allfin	rue des Colonies 56 1000 Brussels	Director
	Moury Management	rue Sainte-Marie 24 4000 Liège	Independent director
	Warehouses Estates Belgium	avenue Jean Mermoz 29 6041 Gosselies	CEO - Director
Duron Willy	Agfa-Gevaert	Septestraat 27 2640 Mortsel	Director
	Tigenix	Romeinsestraat 12/2 3001 Leuven	Director
	Van Lanschot Bankiers (Credit institution)	Hoge Steenweg 29 NL-5200 HC 's Hertogenbosch	Commissioner
	Windvision	Parallelweg 42 NL-6221 BD Maastricht	Chairman of the Board of Directors
Grafé Jean-Pierre	Liège-Airport	Aéroport de Bierset, Bâtiment 44 4460 Grâce-Hollogne	1st Vice-Chairman of the Board of Directors and of the Management Committee
	Liège-Airport Business Park	Aéroport de Bierset, Bâtiment 44 4460 Grâce-Hollogne	Director
	Liège-Airport Security	Aéroport de Bierset, Bâtiment 44 4460 Grâce-Hollogne	Chairman of the Board of Directors
	Development company of Liège-Guillemins	rue Sainte-Marie 5 4000 Liège	Director
Henin Olivier	Brussels Airport Company	Boulevard A. Reyers 80 1030 Brussels	Director
	Eurogare	Place De Bronckaert 26 4000 Liège	Director
	Fedimmo	Chaussée de Wavre 1945 1160 Brussels	Chairman of the Board of Directors
	Sabena Aerospace Engineering	Avenue E. Mounier 2 1200 Brussels	Director
	Federal Shareholding and Investment Company (Financial Holding)	Avenue Louise 54/1 1050 Brussels	Vice-Chairman of the Board of Directors
Neyt Philip	Curalia (Insurance company)	rue Archimède 61 1000 Brussels	Director
	Ghelamco Invest	Zwaanhofweg 10 8900 Ieper	Director
	Leo Stevens and Co (Investment company)	Schildersstraat 33 2000 Antwerpen	Director
	Vladubel	avenue du Port 2 1080 Brussels	Director

Effective leaders of Ethias SA			
Name	**Company**	**Registered office**	**Office exercised**
Lallemand Philippe	Meusinvest (Financial holding)	rue Lambert Lombard 3 4000 Liège	Director
	Socofe (Financial holding)	avenue Maurice Destenay 13 4000 Liège	Director
	Sowalfin (Financial holding)	avenue Maurice Destenay 13 4000 Liège	Director
	Techspace Aero	route de Liers 121 4041 Herstal	Director
	Wespavia (Financial holding)	avenue Maurice Destenay 13 4000 Liège	Director
Thiry Bernard	Integrale (Insurance company)	Place Saint-Jacques 11/101 4000 Liège	Director

Sint-Stevens-Woluwe, 20 April 2016

To the shareholders
of Ethias SA
Liège

STATUTORY AUDITOR'S REPORT ON THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015

As required by law and the Company's articles of association, we report to you in the context of our statutory auditor's mandate. This report includes our opinion on the annual accounts for the year ended 31 December 2015, as defined here below, as well as the required additional statements. The annual accounts include the balance sheet as at 31 December 2015, the income statement for the year then ended, and the disclosures.

Report on the annual accounts – Unqualified opinion

We have audited the annual accounts of Ethias SA ("the Company") for the year ended 31 December 2015. These annual accounts, which show a balance sheet total of EUR 17.954.155.637 and an income statement for the period showing a profit for the period to be appropriated of EUR 50.451.554, have been prepared in accordance with the financial reporting framework applicable for insurance companies in Belgium.

The board of directors' responsibility for the preparation of the annual accounts

The board of directors is responsible for the preparation and fair presentation of these annual accounts in accordance with the financial-reporting framework applicable for insurance companies in Belgium, and for such internal control as the board of directors determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements. As auditor, it is up to us to plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

PwC Bedrijfsrevisoren cvba, burgerlijke vennootschap met handelsvorm - PwC Reviseurs d'Entreprises scrl, société civile à forme commerciale - Financial Assurance Services
Maatschappelijke zetel/Siège social: Woluwe Garden, Woluwedal 18, B-1932 Sint-Stevens-Woluwe
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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the annual accounts. We have obtained from the board of directors and company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified Opinion

In our opinion, the annual accounts give a true and fair view of the Company's net equity and financial position as at 31 December 2015 and of its results for the year then ended in accordance with the financial-reporting framework applicable for insurance companies in Belgium.

Report on other legal and regulatory requirements

The preparation, the content of the directors' report and the compliance, by the Company, with the applicable legal and regulatory requirements regarding bookkeeping, the Companies' Code and the Company's articles of association is the responsibility of the board of directors.

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we provide the following additional statements which do not impact our opinion on the annual accounts:

- The directors' report includes the information required by the Companies' Code, is consistent with the financial statements, and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.
- Without prejudice to formal aspects of minor importance, the accounting records of your Company were maintained in accordance with the legal and regulatory requirements applicable for insurance companies in Belgium.
- The appropriation of results proposed to you complies with the legal provisions and the provisions of the articles of association.
- There are no transactions undertaken or decisions taken in breach of the Company's articles of association or the Companies' Code that we have to report to you.

The statutory auditor
PwC Bedrijfsrevisoren bcvba
Represented by

Kurt Cappoen
Qualified auditor

10 Details of balance sheet and income statement items

10.1 Balance

10.1.1 Assets

Heading B. Intangible assets

I. Formation expenses: relating to the issue expenses of subordinated bonds.

II. Intangible assets: these are the amounts invested as "rights" in the "tax shelter" and amounts relating to IT developments.

Heading C. Investments

I. Land and buildings

1. Real estate for corporate purposes: company buildings
2. Other: includes buildings intended for rental as well as advance payments on business properties under construction.

Heading E. Receivables

I. Receivables arising from direct insurance operations

1. Policyholders: essentially relating to the amounts due from our policyholders.

3. Other: includes the amounts due from various insurance companies, the projected recoveries and the benefits paid in 2015 but with effect in 2016.

II. Receivables arising from reinsurance operations: regroups receivables due from reinsurers.

III. Other receivables: includes guarantees received, individual mortgagors and affiliate organizations, interests on cash at bank and in hand relating to 2015 and collected in 2016, various tax receivables and various receivables in accepted reinsurance.

Heading F. Other asset items

I. Tangible assets: include facilities, machinery, electronic equipment, tools, furniture, rolling stock, fitting-out of buildings and stock.

II. Cash at bank and in hand: cash in hand and assets in different banks with a term of less than one month.

Heading G. Accruals

I. Interest and rent received but not yet due: income from portfolio securities and bank deposits received in the financiel year 2015 but will be collected in 2016.

10.1.2 Liabilities

Heading E. Provisions for other risks and costs

III. Other provisions: mainly relating to provisions for financial risks.

Heading G. Debts

I. Debt arising from direct insurance operations: includes premiums paid prior to maturity, amounts due to various applicants and benefits to be paid.

IV. Debts toward credit institutions: mainly includes repo and collateral.

V. Other debts

2. Other: essentially includes the suppliers, invoices to be received, unallocated payments, unliquidated capital on loans, stock exchange operations to be paid.

Heading H. Accruals.

Mainly includes interests not yet due on bond loans.

10.2 Income statement

10.2.1 Technical account

Heading 2: Investment revenues - Life technical account.

Heading 2bis: Investment revenues - Non-Life technical account.

bb) Income from other investments: investment revenues that are assets covering technical provisions and technical debts are recognized under these items.

Heading 3: Other technical income, net of reinsurance - Non-Life technical account.

This is income related to RDR management (Direct Settlement Compensation).

Heading 5: Change in other technical provisions, net of reinsurance - Non-Life technical account.

This is the change in the indexation provision in Law 1971 and the part (95 %) of the change in the indexation fund in Law 1967.

Heading 6: Change in other technical provisions, net of reinsurance - Life technical account.

This includes the change in the provision for Life insurance.

Heading 8: Other technical expenses, net of reinsurance - Non-Life technical account.

Mainly includes the amount of the capital transferred to the Accidents at Work Fund (FAT) in Law 1971.

Heading 11: Other technical expenses, net of reinsurance - Life technical account.

These are mainly the tax on profit sharing and the tax on certain mathematical provisions Life and the contribution to the Deposit Protection Fund.

10.2.2 Non-technical account

Heading 7: Other income.

This item mainly includes commissions received from co-insurers, default interests and impairment reversals on receivables.

Heading 8: Other expenses.

These include depreciations with regard to machinery, electronic equipment, furniture and rolling stock, intangible assets, losses on write-offs of receivables, capital losses on receivables and a use and reversal of provision for impairment as well as a provision for other risks and expenses.

11 Balance, income statement and annexes

Figures (in EUR units) established on 31 December 2015 by the Board of Directors of 23 March 2016 and controlled by the Statutory Auditor on 20 april 2016.

11.1 Balance

Assets		2015	2014
B.	**Intangible assets**	**30,832,720**	**6,592**
I.	Formation expenses	3,080,827	412
II.	Intangible assets	27,751,893	6,180
2.	Other intangible assets	7,541,630	6,180
3.	Advance payments	20,210,263	-
C.	**Investments**	**15,844,409,222**	**17,642,286,178**
I.	Land and buildings	272,328,539	264,643,183
1.	Real estate for corporate purposes	75,072,559	77,013,495
2.	Others	197,255,980	187,629,688
II.	Investments in associated companies and share interests	512,891,937	568,010,652
-	Associated companies	342,326,734	389,154,000
1.	Share interests	305,326,734	384,104,971
2.	Certificates, bonds and receivables	37,000,000	5,049,029
-	Other companies linked by a participating interest	170,565,203	178,856,652
3.	Share interests	120,299,103	178,856,652
4.	Certificates, bonds and receivables	50,266,100	-
III.	Other financial investments	13,968,644,960	15,726,405,628
1.	Shares, share interests and other variable income securities	320,279,119	380,232,209
2.	Bonds and other fixed-income securities	12,581,565,648	14,102,213,499
4.	Mortgage loans and mortgage credits	519,454,625	634,084,048
5.	Other loans	432,335,589	456,943,584
6.	Deposits with credit institutions	106,069,622	152,267,057
7.	Other	8,940,357	665,231
IV.	Deposits with ceding enterprises	1,090,543,786	1,083,226,715
D.	**Investments related to operations linked to a "Life" business investment fund whose investment risk is not borne by the company**	**359,078,340**	**416,352,798**
Dbis.	**Reinsurers' share in the technical provisions**	**134,123,272**	**113,889,910**
I.	Provision for unearned premiums and outstanding risks	429,822	1,473,206
II.	Provision for Life insurance	1,431,602	-
III.	Provision for claims to be paid	132,074,718	112,416,704
IV.	Provision for profit sharing and refunds	187,130	-
E.	**Receivables**	**458,455,885**	**413,997,467**
I.	Receivables arising from direct insurance operations	200,592,043	185,787,829
1.	Policyholders	86,928,737	84,215,423
2.	Insurance intermediaries	24,305,629	22,497,431
3.	Other	89,357,677	79,074,975
II.	Receivables arising from reinsurance operations	57,000,633	65,725,866
III.	Other receivables	200,863,209	162,483,772
F.	**Other asset items**	**881,496,212**	**916,919,131**
I.	Tangible assets	17,486,577	15,616,565
II.	Available values	864,009,635	901,302,566
G.	**Accruals**	**245,759,986**	**267,371,200**
I.	Interest and rent earned but not yet due	245,759,986	267,371,200
Total assets		**17,954,155,637**	**19,770,823,276**

Liabilities		2015	2014
A.	**Equity**	**1,136,101,424**	**1,130,290,047**
	I. Subscribed capital or equivalent funds, net of uncalled capital	1,000,000,000	1.000.000.000
	1. Issued capital	1,000,000,000	1,000,000,000
	III. Revaluation surpluses	33,184,667	33,880,691
	IV. Provisions	24,024,495	20,443,648
	1. Statutory reserve	17,050,000	14,525,000
	3. Untaxed reserves	4,439,540	4,016,996
	4. Available reserves	2,534,955	1,901,652
	V. Result carried forward	78,892,262	75,965,708
	1. Profit carried forward	78,892,262	75,965,708
B.	**Subordinated liabilities**	**457,871,511**	**325,000,000**
C.	**Technical provisions**	**15,414,700,905**	**17,302,776,126**
	I. Provisions for unearned premiums and outstanding risks	273,780,716	266,483,883
	II. Provision for Life insurance	11,774,627,607	13,725,567,576
	III. Provision for claims to be paid	3,079,305,446	3,046,331,846
	IV. Provision for profit sharing and refunds	37,795,537	20,708,267
	V. Equalization and catastrophe provision	32,524,053	32,415,938
	VI. C. Other technical provisions	216,667,546	211,268,616
D.	**Technical provisions related to operations linked to a "Life" business investment fund whose investment risk is not borne by the company**	**359,078,340**	**416,352,798**
E.	**Provisions for other risks and costs**	**78,182,537**	**148,185,738**
	I. Provisions for pensions and similar liabilities	14,863,121	18.981.676
	II. Provisions for taxes	2,286,017	2,068,440
	III. Other provisions	61,033,398	127,135,622
F.	**Deposits received from reinsurers**	**84,074,353**	**64,944,735**
G.	**Debts**	**411,840,688**	**380,007,498**
	I. Debts arising from direct insurance operations	129,778,427	133,274,776
	II. Debts arising from reinsurance operations	1,610,557	13,837,743
	IV. Debts toward credit institutions	19,560,705	24,674,833
	V. Other debts	260,890,999	208,220,146
	1. Taxes, remuneration and social security costs	78,265,115	73,385,418
	a) taxes	37,069,014	30,268,114
	b) remunerations and social security costs	41,196,101	43,117,304
	2. Other	182,625,884	134,834,728
G.	**Accruals**	**12,305,879**	**3,266,334**
Total liabilities		**17,954,155,637**	**19,770,823,276**

11.2 Income statement

I. Technical account Non-Life	2015	2014
1. Earned premiums, net of reinsurance	**1,258,249,140**	**1,238,809,908**
a) Gross premiums	1,300,277,114	1,291,590,102
b) Premiums ceded to reinsurers (-)	-34,604,149	-37,530,661
c) Change in the provision for unearned premiums and outstanding risks, gross of reinsurance (increase -, decrease +)	-7,296,833	-15,117,270
d) Change in the provision for unearned premiums and outstanding risks, reinsurers' share (increase -, decrease +)	-126,992	-132,263
2bis. Investment income	**165,561,364**	**156,026,625**
a) Income from investments in associated companies or companies linked by a participating interest	10,853,877	10,581,597
aa) associated companies	5,832,060	7,666,370
1° share interests	5,832,060	7,666,370
bb) other companies linked by a participating interest	5,021,817	2,915,227
1° share interests	4,410,020	2,915,227
2° certificates, bonds and receivables	611,797	-
b) Income from other investments	120,386,543	131,935,737
,a) income from land and properties	297,386	189,377
b) income from other investments	120,089,157	131,746,360
C) Value re-adjustments on investments	21,277,589	2,303,652
d) Gains on disposal	13,043,355	11,205,639
3. Other technical income, net of reinsurance	**1,039,270**	**2,402,148**
4. Claims costs, net of reinsurance (-)	**-856,329,009**	**-868,767,529**
a) Net amounts paid	838,774,008	824,265,991
aa) gross amounts	862,622,125	863,360,122
bb) reinsurers' share (-)	-23,848,117	-39,094,131
b) Change in provision for claims to be paid, net of reinsurance (increase +, decrease -)	17,555,001	44,501,538
aa) change in provision for claims to be paid, gross of reinsurance (increase +, decrease -)	38,713,015	15,832,873
bb) change in provision for claims to be paid, reinsurers' share (increase +, decrease -)	-21,158,014	28,668,665
5. Change in the other technical provisions, net of reinsurance (increase +, decrease -)	**-5,398,929**	**-7,604,135**
6. Profit sharing and refunds, net of reinsurance (-)	**-7,569,570**	**-10,566,269**
7. Net operating costs (-)	**-200,727,723**	**-200,273,606**
a) Acquisition costs	167,029,732	158,796,946
c) Administrative costs	34,726,887	42,555,021
d) Reinsurance commissions and profit sharing (-)	-1,028,896	-1,078,361
7bis. Investment charges (-)	**-32,965,046**	**-23,101,930**
a) Investment management charges	-3,541,240	-5,993,569
b) Value adjustments on investments	27,840,877	23,961,461
c) Losses on disposal	8,665,409	5,134,038
8. Other technical charges, net of reinsurance (-)	**-23,760,443**	**-23,503,230**
9. Change in the equalization and catastrophe provision, net of reinsurance (increase -, decrease +)	**-108,114**	**-700**
10. Result of the Non-Life technical account		
Profit (+)	297,990,940	263,421,282

II. Life technical account		2015	2014
1.	**Premiums, net of reinsurance**	**1,167,414,793**	**1,106,448,986**
	a) Gross premiums	1,170,556,898	1,109,488,424
	b) Premiums ceded to reinsurers (-)	-3,142,105	-3,039,438
2.	**Investment income**	**607,749,545**	**666,548,726**
	a) Income from investments in associated companies or companies linked by a participating interest	15,263,819	18.078.073
	aa) associated companies	12,836,872	16,382,431
	1° share interests	12,836,872	16,382,431
	bb) other companies linked by a participating interest	2,426,947	1,695,642
	1° share interests	1,986,048	1,695,642
	2° certificates, bonds and receivables	440,899	-
	b) Income from other investments	417,315,556	502,683,102
	a) income from land and properties	13,408,448	13,776,030
	b) income from other investments	403,907,108	488,907,072
	C) Value re-adjustments on investments	65,879,404	53,444,835
	d) Gains on disposal	109,290,766	92,342,716
3.	**Value adjustments on investments of the assets side D. (income)**	**55,144,434**	**42,172,961**
4.	**Other technical income, net of reinsurance**	**4,481,776**	**2,093,459**
5.	**Claims costs, net of reinsurance (-)**	**-3,908,584,885**	**-1,910,729,638**
	a) Net amounts paid	3,909,366,586	1,912,389,209
	aa) gross amounts	3,910,289,321	1,913,267,785
	bb) reinsurers' share (-)	-922,735	-878,576
	b) Change in provision for claims to be paid, net of reinsurance (increase +, decrease -)	-781,701	-1,659,571
	aa) change in provision for claims to be paid, gross of reinsurance (increase +, decrease -)	-781,701	-159,571
	bb) change in provision for claims to be paid, reinsurers' share (increase -, decrease +)	-	-1,500,000
6.	**Change in the other technical provisions, net of reinsurance (increase +, decrease -)**	**2,004,026,356**	**230,613,168**
	a) Change in provision for Life insurance, net of reinsurance (increase -, decrease +)	1,904,205,898	174,617,383
	aa) change in provision for Life insurance, gross of reinsurance (increase -, decrease +)	1,904,274,296	174,617,383
	bb) change in provision for Life insurance, reinsurers' share (increase +, decrease -)	-68,398	-
	b) Change in the other technical provisions, net of reinsurance (increase -, decrease +)	99,820,458	55,995,785
7.	**Profit sharing and refunds, net of reinsurance (-)**	**-17,430,576**	**-7,815,383**
8.	**Net operating costs (-)**	**-24,969,480**	**-34,087,467**
	a) Acquisition costs	13,705,569	21,259,439
	c) Administrative costs	12,501,643	14,173,934
	d) Reinsurance commissions and proft sharing (-)	-1,237,732	-1,345,906
9.	**Investment charges (-)**	**-135,251,748**	**-98,642,783**
	a) Investment management charges	-23,604,754	39,362,213
	b) Value adjustments on investments	96,585,285	24,619,771
	c) Losses on disposal	62,271,217	34,660,799
10.	**Value adjustments on investments of the assets side D. (charges) (-)**	**-36,920,885**	**-10,028,523**
11.	**Other technical charges, net of reinsurance (-)**	**-15,561,149**	**-14,310,940**
13.	**Result of the Life technical account**		
	Loss (-)	-299,901,819	-27,737,434

III. Non-technical account		2015	2014
1.	**Result of the Non-Life technical account**		
	Profit (+)	297,990,940	263,421,282
2.	**Result of the Life technical account**		
	Loss (-)	-299,901,819	-27,737,434
3.	**Investment income**	**14,034,346**	**42,566,349**
	b) Income from other investments	13,554,139	13,622,094
	b) income from other investments	13,554,139	13,622,094
	C) Value re-adjustments on investments	429,990	5,520,606
	d) Gains on disposal	50,217	23,423,649
5.	**Investment charges (-)**	**-3,544,391**	**-31,996,472**
	a) Investment management charges	-1,995,602	27,795,279
	b) Value adjustments on investments	5,539,760	1,546,119
	c) Losses on disposal	233	2,655,074
7.	**Other income**	**14,614,049**	**16,752,077**
8.	**Other costs (-)**	**-13,759,502**	**-26,704,213**
8bis.	**Current result before taxes**		
	Profit (+)	9,433,623	236,301,589
11.	**Extraordinary income (+)**	**44,194,416**	**-**
12.	**Extraordinary charges (-)**	**-**	**-367,479,283**
13.	**Extraordinary profit or loss**		
	Profit (+)	44,194,416	-
	Loss (-)	-	-367,479,283
15.	**Income taxes (-/+)**	**-2,536,365**	**38,901**
15bis.	**Deferred taxes (-/+)**	**-217,577**	**-1,275,940**
16.	**Result of the financial year**		
	Profit (+)	50,874,097	
	Loss (-)		-132,414,733
17.	**a) Withdrawal from the untaxed reserves**	**54,994**	**35,211**
	b) Transfer to the untaxed reserves (-)	**-477,537**	**-2,513,141**
18.	**Result for the period to be appropriated**		
	Profit (+)	50,451,554	
	Loss (-)		-134,892,663

Appropriation and withdrawal		2015	2014
A.	**Profit to be appropriated**	**126,417,262**	**75,965,708**
	1. Profit for the period available for appropriation	50,451,554	-
	Loss for the year available for appropriation (-)	-	-134,892,663
	2. Profit carried forward from the previous period	75,965,708	210,858,371
C.	**Transfers to equity (-)**	**-2,525,000**	**-**
	2. to the statutory reserve	2,525,000	-
D.	**Result to be carried forward**		
	1. Profit to be carried forward (-)	-78,892,262	-75,965,708
F.	**Profit to be distributed (-)**	**-45,000,000**	**-**
	1. Remuneration of capital	45,000,000	-

11.3 Note

N° 1. Statement of intangible assets, investment property and investment securities

Name	Asset items concerned			
	B. Intangible assets	**C.I. Land and properties**	**C.II.1. Share interests in associated companies**	**C.II.2. Certificates, bonds and receivables in associated companies**
a) Acquisition value				
Previous year end	31,002,862	299,083,639	319,411,928	5,049,029
Changes during the year:				
- Acquisitions	31,502,430	16,507,708	45,815,416	37,000,000
- Disposals and withdrawals	- 2,942,517	-337,323	-125,548,753	-
- Reclassified between headings	-	-	-	-
- Other changes	-	74,310	-	-5,049,029
Year end	59,562,775	315,328,334	239,678,591	37,000,000
b) Increase in value				
Previous year end		31,058,927	72,345,152	
Changes during the year:				
- Decided		-	-	
- Cancelled		-	-	
Year end		31,058,927	72,345,152	
c) Depreciation and reduction in value				
Previous year end	30,996,270	65,499,383	7,652,109	-
Changes during the year:				
- Decided	676,302	8,663,181	2,484,183	-
- Written back as excessive	-	-	-3,439,283	-
- Cancelled	-2,942,517	-103,842	-	-
Year end	28,730,055	74,058,722	6,697,009	-
c) Amounts not called up				
Previous year end			-	
Changes during the year:			-	
Year end			-	
Net book value, year end	**30,832,720**	**272,328,539**	**305,326,734**	**37,000,000**

	Asset items concerned			
Name	C.II.2. Share interests in companies linked by a participating interest	C.II.4. Certificates, bonds and receivables in companies linked by a participating interest	C.III.1. Shares, share interests and other variable income securities	C.III.2. Bonds and other fixed-income securities
a) Acquisition value				
Previous year end	200,881,746	-	388,542,864	14,105,627,609
Changes during the year:				
- Acquisitions	19,430,129	50,266,100	244,653,460	2,151,562,572
- Disposals and withdrawals	-74,344,175	-	-310,829,070	-3,654,470,521
- Reclassified between headings	-5,766,314	-	-	5,766,314
- Other changes	-	-	-	-
Year end	140,201,386	50,266,100	322,367,254	12,608,485,974
b) Increase in value				
Previous year end	5,560,612		-	
Changes during the year:				
- Decided	-		-	
- Cancelled	-		-	
Year end	5,560,612		-	
c) Depreciation and reduction in value				
Previous year end	15,314,978	-	8,260,703	3,414,110
Changes during the year:				
- Decided	4,129,620	-	2,543,143	84,675,227
- Written back as excessive	-1,419,462	-	-2,079,402	-61,169,011
- Cancelled	-1,760,969	-	-6,685,459	-
Year end	16,264,167	-	2,038,985	26,920,326
c) Amounts not called up				
Previous year end	12,270,728		49,952	
Changes during the year:	-3,072,000		-802	
Year end	9,198,728		49,150	
Net book value, year end	**120,299,103**	**50,266,100**	**320,279,119**	**12,581,565,648**

N° 2. Statement of share interests and social rights held in other companies

NAME, full address of the REGISTERED OFFICE and if it concerns a company under Belgian law, the VAT or NATIONAL NUMBER	Social rights held by directly Number	directly %	by the subsidiaries %	Data extracted from the last available annual report: Financial statements as of	Currency	Equity (+) or (-) (in thousands of currency units)	Net profit (loss) (+) or (-) (in thousands of currency units)
AME SA Rue des Croisiers, 24 B-4000 Liège BE 0466.883.467	200,000	100.00	0.00	31/12/2014	EUR	38,259	1,045
Ankaret Invest SA Rue des Croisiers, 24 B-4000 Liège BE 0438.840.866	2,368,879	100.00	0.00	31/12/2014	EUR	17,575	-464
Ariane Building SA Place Saint-Jacques, 11/104 B-4000 Liège BE 0862.467.382	8,050	25.00	0.00	31/12/2014	EUR	-16,748	-7,894
Ariane Real Estate SA Rue des Croisiers, 24 B-4000 Liège BE 0898.866.435	200	100.00	0.00	31/12/2014	EUR	8,969	-25
Assurcard nv Fonteinstraat, 1A/301 B-3000 Leuven NN 475.433.127	900	20.00	0.00	31/12/2014	EUR	2,764	223
Aviabel SA Avenue Louise 54 B-1050 Brussels NN 403.248.004	4,940	24.70	0.00	31/12/2014	EUR	38,650	3,670
Bedrijvencentrum Meetjesland-Maldegem Industrielaan, 9A B-9990 Maldegem NN 452.586.063	32	27.59	0.00	31/12/2014	EUR	413	-26
Bedrijvencentrum Regio Geraardsbergen Herenveld, 2 B-9500 Geraardsbergen NN 456.832.584	32	27.12	0.00	31/12/2014	EUR	665	19
Bellefroid nv Kiewitstraat, 175 B-3500 Hasselt BE 0429.884.105	13	10.40	0.00	31/12/2014	EUR	712	105
Bora SA Rue des Croisiers, 24 B-4000 Liège BE 0444.533.281	484	100.00	0.00	31/12/2014	EUR	6,805	3
Brussels I Funds nv Rue des Pères Blancs, 4 B-1040 Brussels (Etterbeek) NN 477.925.433	1,090	18.17	0.00	31/12/2014	EUR	1,417	50
Carolidaire SCRL Boulevard Mayence, 1 B-6000 Charleroi BE 0464.424.815	5,000	13.19	0.00	31/12/2014	EUR	817	-20
Centrexperts NV Leuvensesteenweg,510/30 B-1930 Zaventem BE 0463.891.315	80	10.00	0.00	31/12/2014	EUR	56	-
Cerep Loi 1 SPRL Avenue Ariane, 5 B-1200 Brussels BE 0866.441.909	195,667	35.00	0.00	31/12/2014	EUR	-4,960	-14,545
Crédit populaire Seraing Place Comunale Hôtel de Ville, 1 B-4100 Seraing BE 0403.943.335	400	10.00	0.00	31/12/2014	EUR	238	-7
De Oostendse Haard VZW Nieuwpoortsesteenweg, 205 B-8400 Ostend BE 0405.277.282	1,400	16.16	0.00	31/12/2014	EUR	21,275	891
Developpement Cauchy SA Rue des Croisiers, 24 B-4000 Liège BE 0832.269.896	1,000	100.00	0.00	31/12/2014	EUR	77	25
DG Infra+ Bis nv Karel Oomsstraat, 37 B-2018 Antwerp BE 0553.654.917	2,648,040	13.88	0.00	30/06/2015	EUR	18,451	-624
DG InfraYield SA Avenue Pacheco 44 B-1000 Brussels NN 833.921.767	1.696.047	15.54	0.00	30/06/2015	EUR	11,259	1,140
E.D.A. SA Avenue de la Cokerie, 9 B-4030 Grivegnée NN 823.162.982	10	10.00	0.00	31/12/2014	EUR	69	32

NAME, full address of the REGISTERED OFFICE and if it concerns a company under Belgian law, the VAT or NATIONAL NUMBER	Social rights held by directly		by the subsidiaries	Data extracted from the last available annual report			
	Number	%	%	Financial statements as of	Currency	Equity	Net profit (loss)
						(+) or (-) (in thousands of currency units)	
Epimède Rue Lambert Lombard, 3 B - 4000 Liège BE 0634.750.380	2,080	25.49	0.00	31/12/2014	-	-	-
Ethias Distribution Epargne Crédit SA Rue des Croisiers, 24 B-4000 Liège BE 0508.712.243	999	99.90	0.10	31/12/2014	EUR	263	-9
Ethias Patrimoine SA Rue des Croisiers, 24 B-4000 Liège NN 894.377.612	40	100.00	0.00	31/12/2014	EUR	21,229	1,189
Ethias Service SA Rue des Croisiers, 24 B-4000 Liège NN 825.876.113	999	99.90	0.00	31/12/2014	EUR	306	86
Ethias Sustainable Investment Fund SA (European Equities High Yield) Rue des Croisiers, 24 B-4000 Liège NN 865.127.063	210,359	81.93	8.96	31/12/2014	EUR	234,472	15,951
Ethias Sustainable Investment Fund SA (Global Equities) Rue des Croisiers, 24 B-4000 Liège NN 865.127.063	20,000	100.00	0.00	31/12/2014	-	-	-
Foncière du Berlaymont SPRL Rue des Croisiers, 24 B-4000 Liège BE 0833.012.640	1,000	100.00	0.00	31/12/2014	EUR	-29	-20
Gimv Health & Care Karel Oomsstraat, 37 B-2018 Antwerp BE 0548.956.850	4,277,175	29.82	0.00	31/03/2015	EUR	13,553	-792
Goed Arthur nv Rue des Croisiers, 24 B-4000 Liège BE 0872.354.157	1,000	100.00	0.00	31/12/2014	EUR	2,362	-1
Health Property Fund 1 Feeders SA Sicav-Sif Avenue J.F. Kennedy, 44 L-1855 Luxembourg	1,347	14.73	0.00	31/12/2014	EUR	51,848	-1,358
Het Gehucht NV Rue des croisiers, 24 B-4000 Liège BE 0808.840.636	500	100.00	0.00	31/12/2014	EUR	205	-170
Het Rijksarchief nv Rue des Croisiers, 24 B-4000 Liège BE 0837.321.816	2,000	100.00	0.00	31/12/2014	EUR	2,014	73
Immo Hofveld SA Rue des Croisiers, 24 B-4000 Liège NN 889.535.233	1,000	100.00	0.00	31/12/2014	EUR	94	26
Immo Life Insure nv Prins-Bisschopssingel 73, B-3500 Hasselt BE 0404.478.320	179,999	100.00	0.00	31/12/2014	EUR	-22,565	15
Immovivegnis SA Rue des Croisiers, 24 B-4000 Liège BE 0463.660.394	10,500	100.00	0.00	31/12/2014	EUR	157	-37
Impulse Microfinance Investment Fund Sneeuwbeslaan, 20 B-2610 Antwerp NN 870 792 160	1,200	10.54	0.00	31/12/2014	EUR	15,740	1,618
Jan Dockx SA Rue des Croisiers, 24 B-4000 Liège BE 0458.920.757	2,500	100.00	0.00	31/12/2014	EUR	2,872	-248
Koala SA Rue des Croisiers, 24 B-4000 Liège BE 0873.412.150	400	100.00	0.00	31/12/2014	EUR	4,906	-188
Les Hauts Prés SA Rue des Croisiers, 24 B-4000 Liège BE 0812.149.029	1.000	100.00	0.00	31/12/2014	EUR	6,523	-109
Lothian Developments IV Rue des Croisiers, 24 B-4000 Liège BE 0463.648.518	1,012,873	100.00	0.00	31/12/2014	EUR	-6,732	-3,807
L'Ouvrier chez lui SA Rue d'Amérique, 26/1 B-4500 Huy NN 401.465.478	15,000	63.58	0.00	31/12/2014	EUR	3,296	69

NAME, full address of the REGISTERED OFFICE and if it concerns a company under Belgian law, the VAT or NATIONAL NUMBER	Social rights held by			Data extracted from the last available annual report			
	directly		by the subsidiaries	Financial statements as of	Currency	Equity	Net profit (loss)
	Number	%	%			(+) or (-) (in thousands of currency units)	
Maison de l'Assurance Bruxelles Square de Meeus, 29 B-1000 Brussels BE 0403.306.501	2,776	10.66	0.00	31/12/2014	EUR	2,800	174
Network Research Belgium SA Parc Industriel des Hauts-Sarts 2ème avenue, 65 B-4040 Herstal BE 0430.502.430	42,530	68.39	0.00	31/12/2014	EUR	101,332	8,947
Palais des Expositions de Charleroi s.c. Avenue de l'Europe, 21 B-6000 Charleroi NN 401.553.571	9,856	23.03	0.00	31/12/2014	EUR	1,816	43
Pertinea Fund SCA Vilvoordesteenweg, 101a B-1860 Meise BE 0839.182.929	1,690,338	16.17	0.00	31/12/2014	EUR	8,556	-535
PMF Infrastructure Fund SCA Rue du vieux Marché aux Grains 63 B-1000 Brussels BE 0841.334.448	1,495	14.96	0.00	31/12/2014	EUR	17,189	886
Real Property Invest nv (RPI) Rue des Croisiers, 24 B-4000 Liège BE 0845.928.387	250	100.00	0.00	31/12/2014	EUR	196	-46
Sagitta nv Rue des Croisiers, 24 B-4000 Liège BE 0812.356.489	240	100.00	0.00	31/12/2014	EUR	3,279	88
Skarabee nv Nijverheidskaai,3/21 B-8500 Kortrijk BE 0468.210.684	25,000	31.25	0.00	31/12/2014	EUR	2,273	26
TEB Foncière SA Rue Louvrex, 95 B-4000 Liège BE 0480.029.838	145	29.41	0.00	31/12/2014	EUR	180	-23
TEB Participations SA Rue Louvrex, 95 B-4000 Liège BE 0480.029.739	60,503	29.43	0.00	31/12/2014	EUR	63,774	3,021
Theodorus II SA Avenue Joseph Wybran, 40 B-1070 Brussels NN 879.436.147	600	11.11	0.00	31/12/2014	EUR	3,023	-357
Vecquim SA Rue des Croisiers, 24 B-4000 Liège NN 459.183.449	600	100.00	0.00	31/12/2014	EUR	1,925	164
Veran Real Estate SA Rue des Croisiers, 24 B-4000 Liège BE 0894.106.012	100	100.00	0.00	31/12/2014	EUR	5,870	-101
Vital Building SA Place Saint-Jacques, 11/105 B-4000 Liège NN 875.171.810	5,000	50.00	0.00	31/12/2014	EUR	4,535	-87
Westhia SA Rue de l'Ecluse, 17 B-6000 Charleroi NN 472.365.155	170,527	25.10	0.00	31/12/2014	EUR	12,746	2,259

N° 3. Actual value of investments

Asset items	Amounts
C. Investments	**17,466,467,798**
I. Land and buildings	307,532,755
II. Investments in associated companies and share interests	604,306,855
- Associated companies	373,009,287
1. Share interests	336,009,287
2. Certificates, bonds and receivables	37,000,000
- Other companies linked through a shareholding	231,297,568
3. Share interests	181,031,468
4. Certificates, bonds and receivables	50,266,100
III. Other financial investments	15,464,084,402
1. Shares, share interests and other variable income securities	409,398,758
2. Bonds and other fixed-income securities	13,966,409,813
4. Mortgage loans and mortgage credits	536,769,541
5. Other loans	436,496,311
6. Deposits with credit institutions	106,069,622
7. Other	8,940,357
IV. Deposits with ceding companies	1,090,543,786

N° 3bis. Derivative financial instruments not measured at fair value

Estimate of the fair value of each class of derivative financial instruments not measured at fair value in the accounts, with indications on the nature and the volume of the instruments	Net book value	Fair value
FWD BUY: Forward buy on bonds, volume: 553,000,000	-	-5,912,747

N° 5. Statement of capital

	Amounts	Number of shares
A. Share capital		
1. Subscribed capital (item A.I.1. of the liabilities)		
- Previous year end	1,000,000,000	xxxxxxxxxxxxxxx
- Changes during the year:		
- Year end	1,000,000,000	xxxxxxxxxxxxxxx
2. Structure of the capital		
2.1. Shares, share interests and other variable income securities		
Shares without indication of the nominal value	1,000,000,000	20,000,000
2.2. Registered shares of bearer shares		
Registered	xxxxxxxxxxxxxxx	20,000,000
G. Ownership structure of the company at the closing date of the accounts		
Vitrufin SA	xxxxxxxxxxxxxxx	20,000,000

N° 6. Statement of provisions for other risks and charges - Other provisions

Breakdown of the liability item E.III	Amounts
Provisions for risks and expenses Material/Programming	9,800,000
Provisions for financial risks	44,933,756
Provision for pending disputes	6,299,642

N° 7. Statement of technical provisions and debts

Liability items concerned	Amounts
a) Breakdown of the debts (or a part of the debts) with a residual maturity of more than 5 years.	
B. Subordinated debts	457,871,511
II. Non-convertible loans	457,871,511
Total	457,871,511
b) Debts (or part of the debts) and technical provisions (or part of the technical provisions) guaranteed by collaterals or irrevocably promised on the assets of the company.	
D. Technical provisions related to operations linked to a Life business investment fund whose investment risk is not borne by the company	359,078,340
G. Debts	9,271,165
IV. Debts toward credit institutions	9,271,165
Total	368,349,505
c) Debts with regard to taxes, remunerations and social security costs.	
1. Taxes (item V.1.a) of the liabilities)	
b) Non due tax debts	37,069,014
2. Remunerations and social security costs (item B.V.1.b) of the liabilities)	
b) Other debts with regard to remunerations and social security costs	41,196,101

N° 8. Statement of accruals for liabilities

Breakdown of the liability item H	Amounts
Financial products to be carried forward (Interests received in advance)	261,424
Financial charges to be allocated (bond)	12,044,454

N° 10. Information on technical accounts

I. Non-Life insurance

Content	Total	Direct business			
		Total	Accidents and disease (branches 1 and 2)	Automobile Civil Liability (branch 10)	Automobile Other branches (branches 3 and 7)
1) Gross premiums	1,300,277,114	1,169,749,188	352,983,651	236,886,359	183,087,703
2) Earned gross premiums	1,292,980,281	1,162,362,341	353,588,864	235,979,380	183,254,091
3) Gross damages	901,335,140	805,398,979	261,962,160	186,793,936	118,365,064
4) Gross operating costs	201,756,619	181,321,682	31,143,152	41,709,381	30,909,240
5) Reinsurance balance	11,344,751	11,134,105	-2,716,145	15,600,734	-1,778,927
6) Commissions (art. 37)		21,494,877			

Content	Direct business				
	Marine Aviation Transport	Fire and other damages to properties	General Civil Liability	Credit and Bonding	Miscellaneous financial losses
	(branches 4,5,6,7,11 and 12)	(branches 8 and 9)	(branch 13)	(branches 14 and 15)	(branch 16)
1) Gross premiums	341,984	193,218,283	110,108,158	136,952	19,322,637
2) Earned gross premiums	341,614	193,557,363	109,832,571	136,952	12,636,884
3) Gross damages	95,138	94,124,936	85,823,571	-54,663	9,291,893
4) Gross operating costs	50,331	38,143,928	18,946,895	34,484	1,806,866
5) Reinsurance balance	-	-9,073,896	9,102,339	-	-
6) Commissions (art. 37)					

Content	Direct business		Accepted cases
	Third party	Assistance	
	(branch 17)	(branch 18)	
1) Gross premiums	37,288,630	36,374,831	130,527,926
2) Earned gross premiums	37,126,438	35,908,184	130,617,940
3) Gross damages	25,827,970	23,168,974	95,936,161
4) Gross operating costs	7,288,989	11,288,416	20,434,937
5) Reinsurance balance	-	-	210,646
6) Commissions (art. 37)			

II. Life insurances

Content	Amounts
A. Direct business	
1) Gross premiums	1,155,041,131
a) 1. Individual premiums	76,732,700
2. Premiums under group insurance contracts	1,078,308,431
b) 1. Periodic premiums	946,786,410
2. Single premiums	208,254,721
c) 1. Premiums for non-bonus contracts	12,912,035
2. Premiums for bonus contracts	1,139,903,258
3. Premiums from contracts where the investment risk is not borne by the company	2,225,837
2) Reinsurance balance	-1,050,838
3) Commissions (art. 37)	578,280
B. Accepted cases	
Gross premiums	15,515,767

III. Non-Life insurance and Life insurance, direct business

Content	Amounts
Gross premiums:	
- in Belgium	2,316,620,292
- in the other Member States of the EU	8,170,027

N° 11. Statement on personnel employed

Categories	2015		
	Total number at closing date	Total average number of persons employed (*)	Number of hours worked
Personnel under employment or internship contract (**)	1,762	1,723.50	2,409,920
Temporary staff and persons made available to the company	-	0.32	552
Total	**1,762**	**1,723.82**	**2,410,471**

Categories	2014		
	Total number at closing date	Total average number of persons employed (*)	Number of hours worked
Personnel under employment or internship contract (**)	1,818	1,744.89	2,635,730
Temporary staff and persons made available to the company	-	5.24	9,168
Total	**1,818**	**1,750.13**	**2,644,898**

(*) The average number of employees is calculated in full time equivalents in accordance with Article 12, § 1 of the Royal Decree of 12 September 1983 implementing the law of 17 July 1975 on the accounting and the annual accounts of companies.

(**) The staff under employment or internship contract is made up of workers entered in the staff register and linked to the company by an employment contract or an internship contract within the meaning of Royal Decree N° 230 of 21 December 1983.

N° 12. Statement on all administrative and management costs, broken down by type

Name	Amounts
I. Employee benefit expenses	**176,364,827**
1. a) Remunerations	114,750,387
b) Pensions	-
c) Other direct social benefits	29,208,021
2. Employers' social security contributions	37,123,392
3. Employers' allowances and premiums for extra-legal insurances	187,547
4. Other employee benefit expenses	-785,965
5. Provisions for pensions, remuneration and social security costs	-4,118,555
a) Appropriations (+)	-
b) Expenditures and reversals (-)	-4,118,555
II. Services and other goods	**123,617,540**
III. Depreciation and write-down on intangible and tangible assets	**3,368,845**
IV. Provisions for other risks and expenses	**9,000,000**
1. Allocation (+)	9,000,000
V. Other current expenditure	**8,639,125**
1. Fiscal operating costs	1,804,024
a) Property tax	1,515,597
b) Others	288,427
2. Contributions to public bodies	4,624,340
4. Other	2,210,761
VI. Administrative costs recovered and other current income (-)	**-27,255,651**
1. Recovered administrative costs	27,255,651
b) Others	27,255,651
Total	**293,734,686**

N° 13. Other income, other costs

		Amounts
A.	**Breakdown of the other income (item 7 of the non-technical account)**	
	Reversals of write-downs on litigations	13,112,553
	Received commissions	1,427,323
	Capital gains realized on tangible assets	16,024
	Other	58,149
B.	**Breakdown of the other costs (item 8 of the non-technical account)**	
	Depreciations	257,335
	Impairments on receivables	11,069,348
	Capital losses realized on assets	7,249,134
	Provisions for capital losses on receivables	-1,534,645
	Equity-related charges	836,624
	Commissions and financial charges	3,521,703
	Provisions for risks and charges	-7,800,000
	Fees	160,003

N° 14. Extraordinary profit or loss

		Amounts
B.	**Breakdown of the extraordinary income (item 11 of the non-technical account)**	
	Tax dispute	44,194,416

N° 15. Income taxes

		Amounts
A.	**Breakdown of item 15 a) ‘Taxes’:**	2,536,500
	1. Income taxes for the financial year:	1,537,066
	a) Refundable advance payments and prepayments	1,537,066
	2. Income taxes on previous periods:	999,434
	a) Additional income taxes due or paid:	999,434
B.	**Main sources of differences between the profit before tax, as stated in the accounts, and the estimated taxable profit**	
	Depreciation on revaluation surplus	630,000
	Taxed financial impairments (change)	-1,320,000
	Taxed financial provisions (change)	-60,360,000
	Other taxed provisions and impairments (change)	-8,600,000
	Reversals of write-downs on shares	-14,150,000
	Non-deductible expenses	36,700,000
	Definitively taxed income	-107,340,000
	Taxation at different rates: capital gains on shares held for more than 12 months	51,160,000
	Taxable technical provisions (change)	154,130,000
D.	**Sources of deferred tax assets:**	
	1. Deferred tax assets:	1,653,400.000
	Accumulated tax losses deductible from future taxable profits	621,000,000
	Definitively taxed income to be carried forward	36,800,000
	Taxed technical provisions	878,300,000
	Taxed impairments and financial provisions	116,200,000
	Hidden reserves (Ex GR)	1,100,000
	2. Future tax liabilities: Surplus value (spread taxation)	6,700,000

N° 16. Other taxes and charges borne by third parties

		2015	2014
A.	**Charges:**		
	1. Charges on insurance contracts borne by third parties	238,507,130	226,823,938
	2. Other charges borne by the company	4,160,338	4,247,586
B.	**Amounts retained on behalf of third parties in respect of:**		
	1. Withholding tax on earned income	256,091,041	271,887,405
	2. Withholding tax (on dividends)	16,466,359	4,915,023

N° 17. Off-balance sheet rights and commitments

		Amounts
B.	**Personal guarantees given or irrevocably promised on behalf of third parties**	83,400,000
C.	**Real guarantees given or irrevocably promised by the enterprise on its own assets as security for debts and commitments:**	
	a) of the company:	55,556,934
D.	**Collateral received (others than in cash):**	
	a) securities and values of reinsurers:	53,801,825
	b) others	748,995,852
H.	**Others:**	2,630,077,746
	ACQUISITION COMMITMENTS	60,312,766
	CAPS/FLOOR	100,000,000
	SWAPTIONS	1,650,000,000
	BOND FORWARDS COMMITMENTS	752,538,920
	LOAN COMMITMENTS INFRA	14,410,598
	LOAN COMMITMENTS FIN	10,538,897
	SHARE INTERESTS COMMITMENTS	28,216,565
	BOND FUNDS COMMITMENTS	12,060,000
	MORTGAGE LOANS COMMITMENTS	2,000,000

N° 18. Relations with associated companies and companies linked by a participating interest

Relevant items of the balance sheet	Associated companies		Companies linked by a participating interest	
	2015	2014	2015	2014
C. II. Investments in associated companies and share interests	**342,326,734**	**389,154,000**	**170,565,203**	**178,856,652**
1 + 3 Share interests	305,326,734	384,104,971	120,299,103	178,856,652
2 + 4 Certificates, bonds and receivables	37,000,000	5,049,029	50,266,100	-
- Others	37,000,000	5,049,029	50,266,100	-
C. II. Investments in associated companies and share interests	**-**	**-**	**2,543**	**1,382**
1 + 3 Share interests	-	-	2,543	1,382
E. Receivables	**37,040,448**	**749,104**	**519,148**	**383,329**
I. Receivables arising from direct insurance operations	-		1,484	-
III. Other receivables	37,040,448	749,104	517,664	383,329
B. Subordinated liabilities	**3,500,000**	**3,500,000**	**1,000,000**	**1,000,000**
G. Debts	**5,633,998**	**14,086,765**	**141,115**	**10,858**
I. Receivables arising from direct insurance operations	24,031	-	-	-
V. Other debts	5,609,967	14,086,765	141,115	10,858

Relevant items of the balance sheet	Associated companies	
	2015	2014
- Personal and real guarantees given or irrevocably promised by the company as a security of debts and commitments of associated companies	83,400,000	105,265,998

N° 19. Financial relations with:

		Amounts
A.	**directors and managers:**	
1.	Outstanding receivables on these persons	234,571
4.	Direct and indirect remunerations and allocated pensions charged to the income statement	
	- to directors and managers	252,342

N° 19bis. Financial relations with:

The statutory auditor and the persons with whom he is linked		Amounts
1.	**Remuneration of the statutory auditor:**	**640,715**
2.	**Fees for exceptional services or special missions accomplished within the company by the statutory auditor:**	**660,898**
-.	- Other control missions	533,040
-.	- Other missions outside the audit missions	127,858
3.	**Fees for exceptional services or special missions accomplished within the company by the persons with whom the statutory auditor is linked:**	**461,796**
-.	- Tax advice missions	114,425
-.	- Other missions outside the audit missions	347,371

Statements pursuant to Article 133, paragraph 6 of the Code of Companies
In accordance with Article 133 of the Companies Code, the "1-1" assessment of the remuneration report and fees Audit vs. Non-audit of the Statutory Auditor and the persons linked is done for the whole of the Ethias group, to which the company belongs. Accordingly, the compliance with the "1-1" report is justified in the notes to the consolidated financial statements published by the parent company of the group, Vitrufin SA, to which we refer for more details.
The non-audit services of the Statutory Auditor and the related fees have been approved by the Statutory Audit Committee of Ethias SA.

N° 20. Valuation rules

The valuation rules applicable on the income statement are mentioned below.

Asset side of the balance sheet

Intangible assets (heading B)

They are capitalized at their purchase or cost price, including incidental expenses.

The depreciations are carried out using the linear method at the rate of 20 %.

Investments (heading C)

Land and properties (sub-heading C.I.)

They are capitalized at their purchase or cost price, including incidental expenses.

Land is not depreciated.

Immovable properties acquired before 1 January 2011 are depreciated using the linear method at the following rates:

- Immovable properties: 2 %
- Alterations: 10 %

Immovable properties acquired after 1 January 2011 are divided in the following categories:

- Structural work
- Roof
- External woodwork
- Special techniques
- Finishing

These immovable properties are depreciated on a straight-line basis over the expected useful life of each component, after deduction of their residual value, provided that they can be determined reliably.

Investments in associated companies and share interests (sub-heading C.II)

These investments are subjected to depreciation in case of durable impairments. Additional or exceptional impairments can be recognized on a proposal from the Management Committee.

Other financial investments (sub-heading C.III.)

Shares, share interests and other variable income securities (C.III.1)

These investments are subjected to impairments in case of durable capital loss. The existence of a significant unrealized loss with regard to the purchase price, determined on the basis of the weighted average price over a period of 12 consecutive months preceding the closing, is a criterion of durable impairment. The capital loss is qualified as important when it exceeds the purchase price by 20 % in a normal market context. This criterion can be submitted to the Management Committee for consideration when the markets are more volatile.

Additional or exceptional impairments can be recognized on a proposal from the Management Committee. The impact of these impairments are included in the notes accompanying the income statement provided that they represent an important amount.

In case of disposal of securities, the book value, used to calculate the realized gains and losses, is determined on the basis of the weighted average price.

Bonds and other fixed-income securities (C.III.2)

These investments are recognized in the balance sheet at their purchase price.

However, when their actuarial yield, calculated at the time of the purchase (taking into account their redemption amount at maturity) differs from their nominal yield, the difference between the purchase and the redemption amount is recognized through profit or loss, pro rata temporis for the remaining duration of the securities, as elements of the interest yields on these securities and is recorded as increase of reduction of their purchase price. Taking into account the actuarial yield at the time of the purchase, this difference is recognized through profit or loss on a discounted basis.

In accordance with the principles of Article 19 paragraph 1, impairments are systematically applied to the bonds, mentioned in the sub-heading C.III.2. of assets, in order to reflect the risk that the counterparties of such securities and receivables do not fully or partially honour their commitments relating thereto, including, but not limited to, the probability that the reimbursement of these securities and receivables is in whole or partly uncertain or compromised. When the market value of these securities and receivables is permanently lower than their net book value, this circumstance is, unless proved otherwise, presumed to be an other-than-temporary impairment which is to be considered for the application of this provision.

The application of the above rules and the decision to record an impairment or not is the subject of an analysis at each closing date. In that analysis, we take into account the following criteria to identify durable losses in value, on the one hand, and to assess whether the recognition of an impairment is required:

Criteria for determining durable losses

- The insurance portfolio / the relevant separate management;
- The ability of the company to hold these securities to maturity;
- The duration of the unrealized loss observed.

Criteria taken into account to determine whether an impairment should be recognized

- A significant increase in credit spreads for listed issuers;
- A significant deterioration in credit rating;
- A voluntary or imposed restructuring of the debt;
- The occurrence of a credit event under ISDA rules;
- Significant financial difficulties;
- A failure to pay interests or principal;
- The disappearance of an active market for that financial asset because of financial difficulties;
- A significant decrease in the value of collateral or underlying assets.

With regard to the perpetual loans, the difference between their purchase price and their lower market value is to be considered as a permanent impairment so that these securities are valuated at the lowest value between their book value and their market value.

In case of disposal of securities, the book value, used to calculate the realized gains and losses, is determined on the basis of the weighted average price.

Within the framework of an arbitrage operation, the realized gains and losses on the balance sheet are maintained and recognized through profit or loss over the term of the re-investment.

Mortgage loans and mortgage credits - Other loans (C.III.4 & C.III.5)

Impairments are applied to this loans according to the same rule as the one applied to sub-heading C.III.2 above.

Investments related to operations linked to a Life business investment fund whose investment risk is not borne by the company (heading D - branch 23)

These investments are recognized in the balance sheet at their actual value (market value).

Deposits with credit institutions (sub-heading C.III.6)

Receivables (heading E)

Available values (sub-heading F.II)

These items are recognized at their nominal of purchase price.

Impairments are registered to take into account the uncertainties of their recovery.

Reinsurers' share in the technical provisions (heading D. bis)

This item shows the reinsurers' commitment. The amounts recorded are obtained in accordance with the various applicable reinsurance treaties.

Other asset elements (heading F)

Tangible assets (sub-heading F.I)

The tangible assets are capitalized at their purchase or cost price, including incidental expenses.

The depreciations are carried out using the linear method at the following rates:

- plant, machinery, electronic equipment: 33 1/3 %
- rolling stock: 25 %
- office furniture and equipment: 10 %

The office furniture and equipment of which the purchase price is lower than EUR 250,00, are depreciated within the first year.

- medical devices: 20 %

Liability side of the balance sheet

Technical provisions (heading C)

These provisions are calculated with prudence, taking into account the statutory and regulatory dispositions established by different control organizations.

The equalization and catastrophe provision is valuated using the actuarial method.

Technical provisions related to operations linked to a Life business investment fund whose investment risk is not borne by the company (heading D - branch 23)

These provisions are estimated based on the actual value of the assets under heading D.

Provisions for other risks and expenses (heading E)

The provisions for foreseeable risks and expenses are determined with prudence, sincerity and good faith.

The provisions with regard to the previous financial years are regularly reviewed and recognized through profit or loss if they serve no longer any purpose.

Deposits received from reinsurers (heading F) and debts (heading G)

These items are recognized at their nominal value.

Other particular rules

Accounts denominated in currencies

The monetary items are valorized in euro at the spot price at the closing date of the financial year.

The non-monetary items are maintained in euro at their purchase price.

The balance of the negative differences resulting from the conversion of monetary items, other than the technical provisions, is recognized through profit or loss. The balance of the positive differences is recognized in the accruals as deferrable proceed.

Derivatives

The derivatives, used on a speculative basis, follow the prudence principle. This means that the unrealized losses are subjected to impairments of are used to constitute provisions for financial risks. However, the unrealized gains are not recognized through profit or loss.

The forward transaction in micro hedging or concluded within the framework of the ALM management are symmetrically valuated with the allocation of costs and income of the hedged items for the residual lifetime of these items. Forward transactions for hedging purposes are forward transactions having the purpose of the effect to compensate or to reduce the risk on an asset, a liability, a right, an obligation, an off-balance sheet commitment or a set of items that are homogeneous in nature with regard to their sensitivity to interest rate variations.

Finally, the hedging transactions or the transactions concluded within the framework of the ALM management must be recognized as such and this, from the conclusion of the transaction.

N° 22. Declaration regarding the consolidated income statement

A. Information to be completed by all companies:

- The company prepares and publishes a consolidated income statement and a consolidated annual report in accordance with the Royal Decree on the consolidated income statement of insurance and reinsurance companies:
  yes / no (*): Yes

N° 23. Additional information to be provided by the company on the basis of the decree of 17/11/1994

The company mentions the additional information required, if applicable:

Art. 27 bis § 3, last paragraph	Amounts
2. Bonds and other fixed-income securities	-27,819,328

Derivatives used	
Swaptions	28 acquisition transactions
Swaps	4 acquisition transactions and 5 early transfer transactions
Forward Buy	28 acquisition transactions
CDS	1 disposal transaction

Profit and loss accounts	Result	Impairments	Provision
Swaps	-38,347,950	-	-
Swaptions	-	-43,745,859	-
Caps and Floors	-3,186,366	2,826,492	-

Additional information

The unfavourable judgement passed in November 2014 by the Court of Appeal with regard to the dispute with the tax authorities had a negative impact of approximately EUR 378 million on the company's accounts in 2014. Ethias SA recovered EUR 44 million in 2015. This amount corresponds to the withholding taxes enlisted for 2008.

In February 2015, Ethias offered to its clients, holders of a FIRST A, an exit premium equal to 4 years' interest upon full surrender and an exit premium equal to 4 years' interest upon partial surrender of minimum EUR 100,000, in so far as the surrenders took place before the end of March 2015. This operation, called "Switch IV", was a real success as surrenders amounting to EUR 1.9 billion were recognized in 2015, but with a direct impact of EUR 243 million on the company's accounts.

Ethias SA has adopted a financial recovery plan, which aims at improving the solvency margin under Solvency II and which includes a set of specific measures, such as reducing overheads by 10 %, the issuance of an additional subordinated loan and reducing the duration gap.

Ethias launched an exchange offer on 29 June 2015 for its perpetual subordinated loan of EUR 250 million against a "Tier 2" subordinated loan maturing in January 2026. A new bond of EUR 231.9 million was issued on 14 July 2015. Ethias issued an additional "Tier 2" subordinated loan of EUR 170.8 million in nominal value on 5 November 2015.

Solvency II

We refer to item 3.6.2. in the management report.

11.4 Social balance sheet

Number of the joint committee competent for the company: 306

Situation of the persons employed

Employees for whom the company has introduced a Dimona declaration or who are recorded in the general staff register.

2015	Total	Men	Women
Average amount of employees			
Full-time	1,521.68	856.52	665.16
Part-time	279.46	46.71	232.75
Total in full-time equivalents (FTE)	1,723.50	889.54	833.96
Number of hours actually worked			
Full-time	2,122,837	1,199,755	923,081
Part-time	287,083	47,586	239,497
Total	2,409,920	1,247,341	1,162,578
Employee benefit expenses			
Full-time	154,902,600	96,341,071	58,561,529
Part-time	21,462,227	4,270,268	17,191,959
Total	176,364,827	100,611,339	75,753,488
Amount of benefits granted in addition to wages	**273,770**	**156,178**	**117,592**

2014	Total	Men	Women
Average amount of employees	**1,744.89**	**906.05**	**838.84**
Number of hours actually worked	**2,635,730**	**1,370,581**	**1,265,149**
Employee benefit expenses	**183,190,519**	**106,396,451**	**76,794,068**
Amount of benefits granted in addition to wages	**530,604**	**308,173**	**222,431**

2015	Full-time	Part-time	Total (FTE)
Number of employees	**1,501**	**261**	**1,691.50**
By type of employment contract			
Permanent contract	1,464	261	1,654.50
Fixed-term contract	35	-	35.00
Replacement contract	2	-	2.00
By sex and educational level			
Men	849	41	877.90
primary education	-	-	-
secondary education	178	21	192.10
higher non-university education	415	10	422.10
university education	256	10	263.70
Women	652	220	813.60
primary education	-	-	-
secondary education	115	56	155.90
higher non-university education	330	117	418.20
university education	207	47	239.50
By professional category			
Management staff	18	1	18.80
Clerical staff	1,483	260	1,672.70

Temporary staff and persons made available to the company

2015	Temporary staff
Average number of persons employed	0.32
Number of hours actually worked	552
Costs for the company	23,287.62

Table of the staff turnover during the financial year

Entries	Full-time	Part-time	Total (FTE)
Number of employees for whom the company has introduced a Dimona declaration or who are recorded in the general staff register.	**45**	**0**	**45.00**
By type of employment contract			
Permanent contract	20	0	20.00
Fixed-term contract	21	0	21.00
Replacement contract	4	0	4.00

Exits	Full-time	Part-time	Total (FTE)
Number of employees for whom the company has introduced a Dimona declaration or who are recorded in the general staff register.	**90**	**11**	**97.00**
By type of employment contract			
Permanent contract	42	9	48.00
Fixed-term contract	42	1	42.50
Replacement contract	6	1	6.50
By reason of termination of the contract			
Retirement	1		1.00
Unemployment with company allowance	18	5	21.70
Dismissal	7	3	8.80
Other reason	64	3	65.50

Information about training for employees during the financial year

2015	Men	Women
Formal initiatives of continuing vocational training paid by the employer		
Number of employees involved	482	470
Number of hours of training	9,097	8,740
Net costs for the company	891,110	856,165
of which gross costs directly linked to trainings	814,872	782,916
of which contributions and deposits paid to collective funds	91,344	87,762
of which allowances and other financial benefits received (to be deducted)	15,106	14,513
Less formal or informal initiatives of continuing vocational training paid by the employer		
Number of employees involved	98	135
Number of hours of training	16,598	21,800
Net costs for the company	962,680	1,264,407

HUMANISM

ETHICS

COMMITMENT

PROXIMITY