

PRESS RELEASE

August 26, 2016

Ethias records an excellent result at end-June 2016

In its meeting of Friday, August 26, the Ethias Board of Directors approved the BGAAP results for the first semester of 2016.

With figures amounting to EUR 282 million, the results of Ethias SA have strongly increased compared to the figures of end-June 2015 (loss of EUR 111 million primarily due to the costs relating to the Switch IV operation for surrenders on the FIRST A contracts). The result of June 2016 is positively influenced by an additional and partial recovery (EUR 204 million) in the frame of the tax dispute between Ethias and the tax authorities with regard to the payment of pension insurances. This positive impact is partially offset by the cost (EUR 52 million) for the 60+ retirement plan.

Excluding non-recurring items for a total of EUR 149 million, **the operating result for the 1st half-year amounts to EUR 135 million and exceeds the forecasts of the prorated 2016 budget (EUR 100 million)**. This result is mainly generated by the Non-Life business (EUR 112 million) which provides a net CoR largely under the target of 95% since several years.

Bernard Thiry, CEO of Ethias: *"These excellent results again demonstrate the relevance and strength of our unique business model on the Belgian market. They also demonstrate the effectiveness of the measures that have been implemented to strengthen the technical profitability, such as improved underwriting and pricing practices, a cost reduction program, the strengthening of our sales forces and a program for operational excellence."*

Income amounts to EUR 1.438 million, of which EUR 588 million in Life and EUR 850 million in Non-Life. It remains stable compared to the income recorded at end-June 2015 (EUR 1.447 million).

The solvency margin (Solvency II) stands at 125 % at end-June (margin determined with application of the standard formula and without taking account of transitional measures on technical provisions) and increases by 14 % compared to end-March 2016.

Benoît Verwilghen, vice-CEO/CFO of Ethias: *"Given the volatility of the SII solvency margins in the current macroeconomic context, and in response to the request of our regulator, measures will be taken in the second semester to continue strengthening our economic equity capital in the short term and in a sustainable manner. Our firm ambition is to permanently stabilize the Solvency II margin of our group at a level of 150 %, hence allowing us to fully focus on our insurance business activities so as to put Ethias in the best possible conditions to meet the profound technological changes in our environment and to offer our insured an ever-stronger quality/price ratio."*

Also in 2016:

During the first half of 2016, the Ethias Young Drivers coverage is voted "**Product of the Year**" in the Insurances category.

The Ethias Tennis Trophy receives (for the second time) the title of "**Challenger Award 2015**" from the ATP, viz. the title of best challenger tournament in the world.

Ethias wins **2 DECAVI Trophies**: in the category "**Civil Liability Car Insurance**" and in the new category "**Tenants Insurance**".



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The Ethias website receives the **BeCommerce label**. This label is a proof of quality for the online purchase of goods and services.

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.