

INVESTORS PRESENTATION  
**HALF YEAR RESULTS**  
JUNE 30, 2021

30.09.2021



# AGENDA

**HIGHLIGHTS YTD AND KPI**

**ETHIAS IDENTITY AND STRATEGY**

**FINANCIAL PERFORMANCE IFRS**

**FINANCIAL PERFORMANCE BGAAP**

**SOLVENCY II**

**INVESTMENT PORTFOLIO AND LIFE RESERVES**

**RATING**

**APPENDIX**

# HIGHLIGHTS YTD AND KPI

# HIGHLIGHTS

## KEY EVENTS

### June

- **Fitch upgrades** the Insurer financial strength of **Ethias to A (from A-)** and reviews the **outlook** from stable to **positive**

### July

- Following the exceptional floodings, Ethias sets up **mobile crisis centers** to meet the affected policyholders

### August

- **Ethias invests 25 M€ in the Flemish Welvaartfonds** (keystone of the Flemish **economic recovery plan**, the fund creates a unique partnership between the Flemish investment company PMV and private investors)

# HIGHLIGHTS

## FINANCIAL RESULTS

### IFRS

**Net result 113 M€**

(vs 88 M€ in H1 2020)

**Operational result 143 M€**

(vs 135 M€ in H1 2020)

### IFRS Equity

**2,972 M€**

(vs 3,004 M€ at end 2020)

### Solvency

**184%**

**after deduction of  
the provisional dividend**

(187,5% before dividend, vs 187% after dividend at end 2020)

### Total balance sheet

**20,718 M€**

(vs 20,740 M€ at end 2020)

# HIGHLIGHTS

## PERFORMANCE NON LIFE (IFRS)

**Gross written  
premiums**

**906 M€**

(+2.3% vs H1 2020)

**Operational  
non life result**

**89 M€**

(-17 M€ vs H1 2020)

**Operating  
combined ratio**

**93.5%**

(+0.2% vs H1 2020)

# HIGHLIGHTS

## PERFORMANCE LIFE (IFRS)

### Gross written premiums

**665 M€**

(+5.9% vs H1 2020)

### Operational Life result

**53 M€**

(+20 M€ vs H1 2020)

# EXCEPTIONAL FLOODS OF JULY 2021

## AN UNPRECEDENTED NATURAL DISASTER

July was a month of exceptionally adverse weather conditions in Belgium. The human losses and material damage resulting from these floods are unprecedented. The consequences for Ethias today represent more than **12,000 claims declarations** to be managed in B2C and B2B. Ethias' responsibility is **to deal with this as quickly as possible** in order to repair what can be repaired **for the benefit of its policyholders**.

## ACTIONS TAKEN BY ETHIAS

- the claims teams have been strengthened (telephone reception, claims management and capacity in terms of expertise)
- Ethias has provided on-site support to affected clients (setting up of mobile crisis centres, automatic advance of funds, psychological support, etc.).

## THE FINANCIAL SUPPORT OF THE WALLOON REGION MITIGATES THE IMPACT ON OUR NET RESULT

Thanks to the protocol agreement between the Walloon Region and the insurers splitting the exceptional burden caused by this natural disaster, **Ethias' insurants in simple risks will be fully compensated**.

On this basis, **Ethias estimates that the net cost of claims will have an impact of between 70 M€ and 80 M€ on its result (before tax)**. As this event took place after the closing date of the accounts, the result as at 30 June 2021 is not impacted.

## A 5 STARS RATING BY TEST ACHATS FOR THE QUALITY OF OUR CLAIMS MANAGEMENT IN HOME INSURANCE

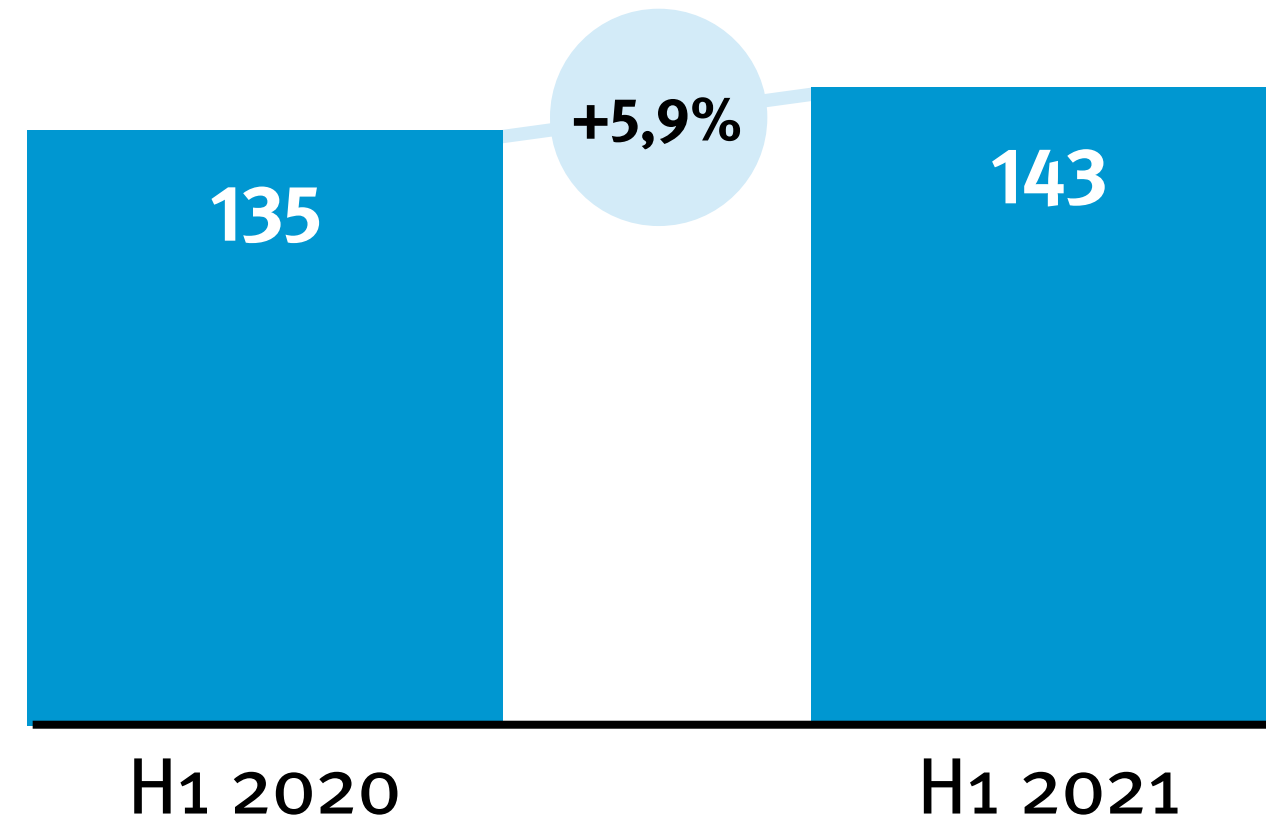
According to the recent satisfaction survey carried out by Test-Achats among its subscribers, Ethias stands out by being the only company to obtain 5 stars, which corresponds to a **very high satisfaction of our policyholders!**

This result taking into account only the opinions of those who have suffered damage to their home over the past five years, it confirms our **excellent work in claims management**.

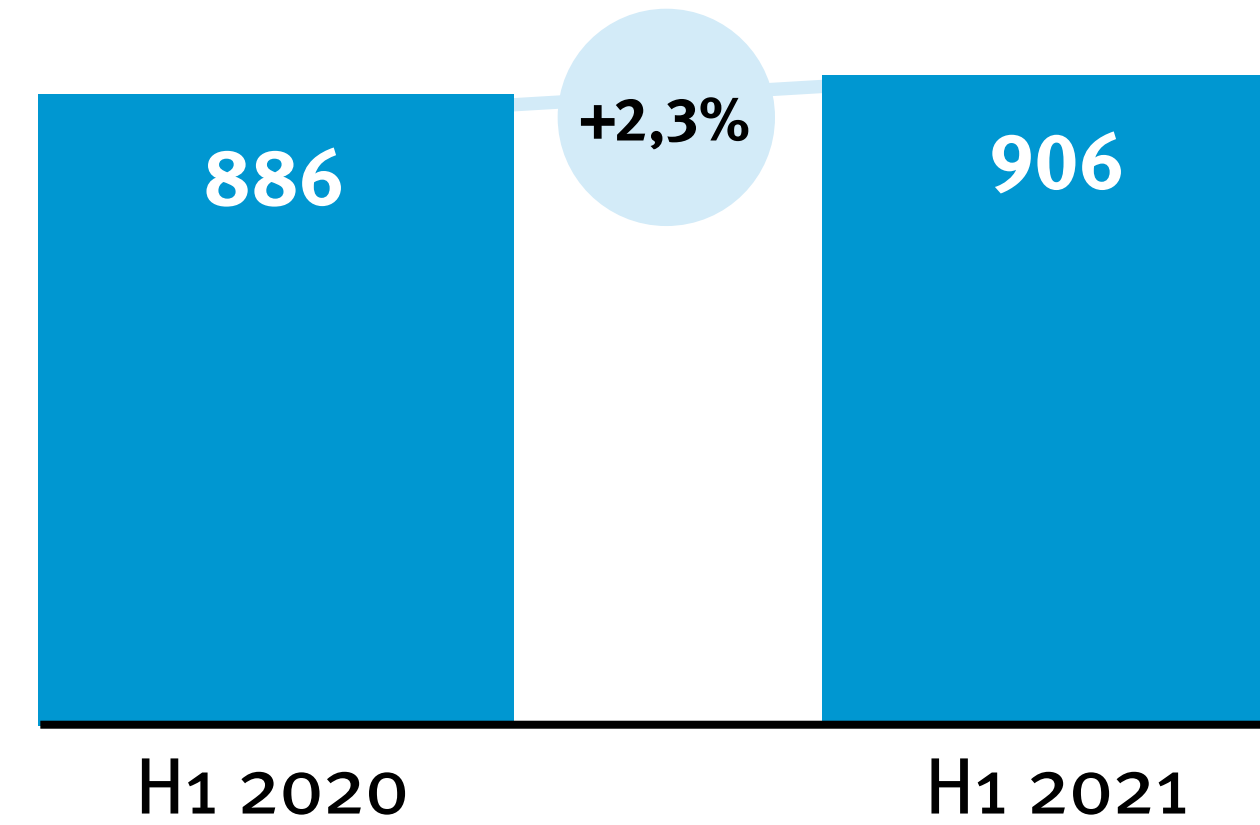


# KPI H1 2020 - H1 2021

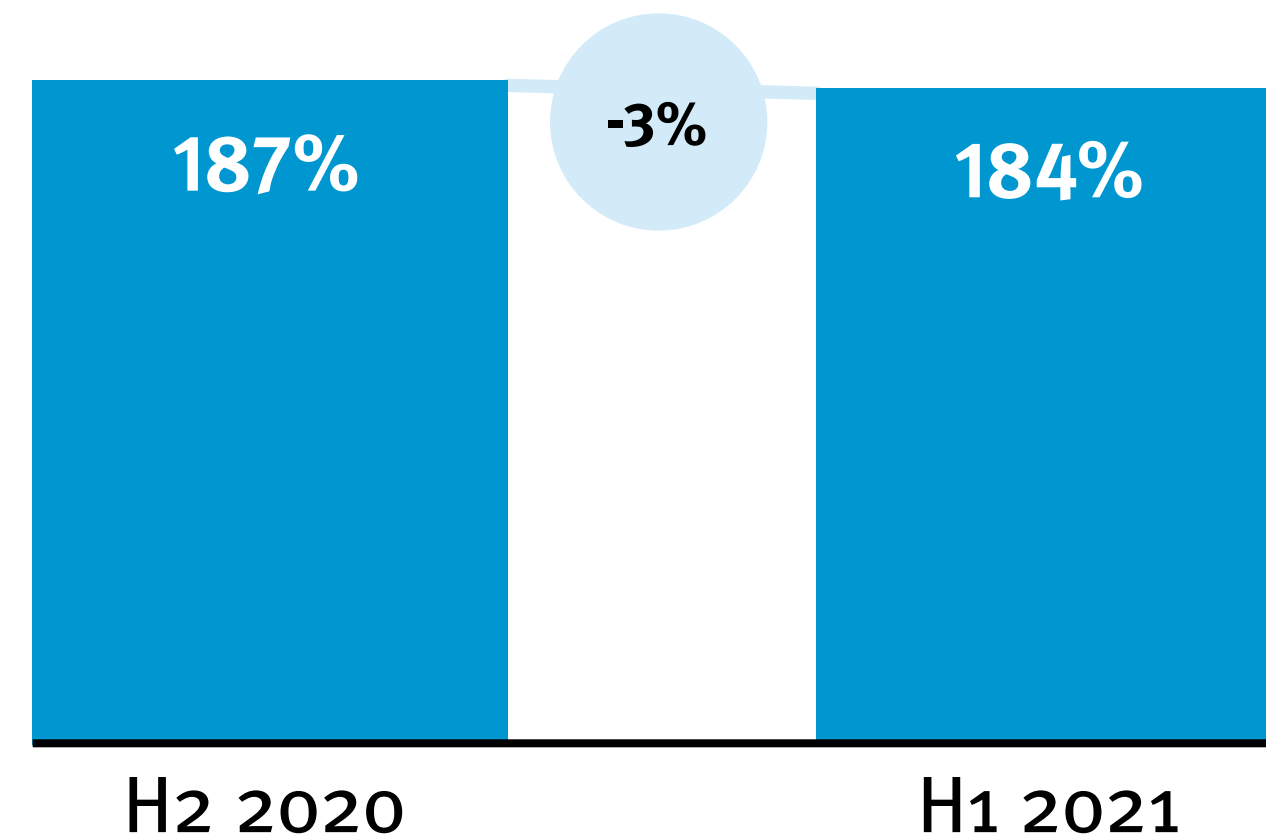
### OPERATIONAL RESULT (M€)



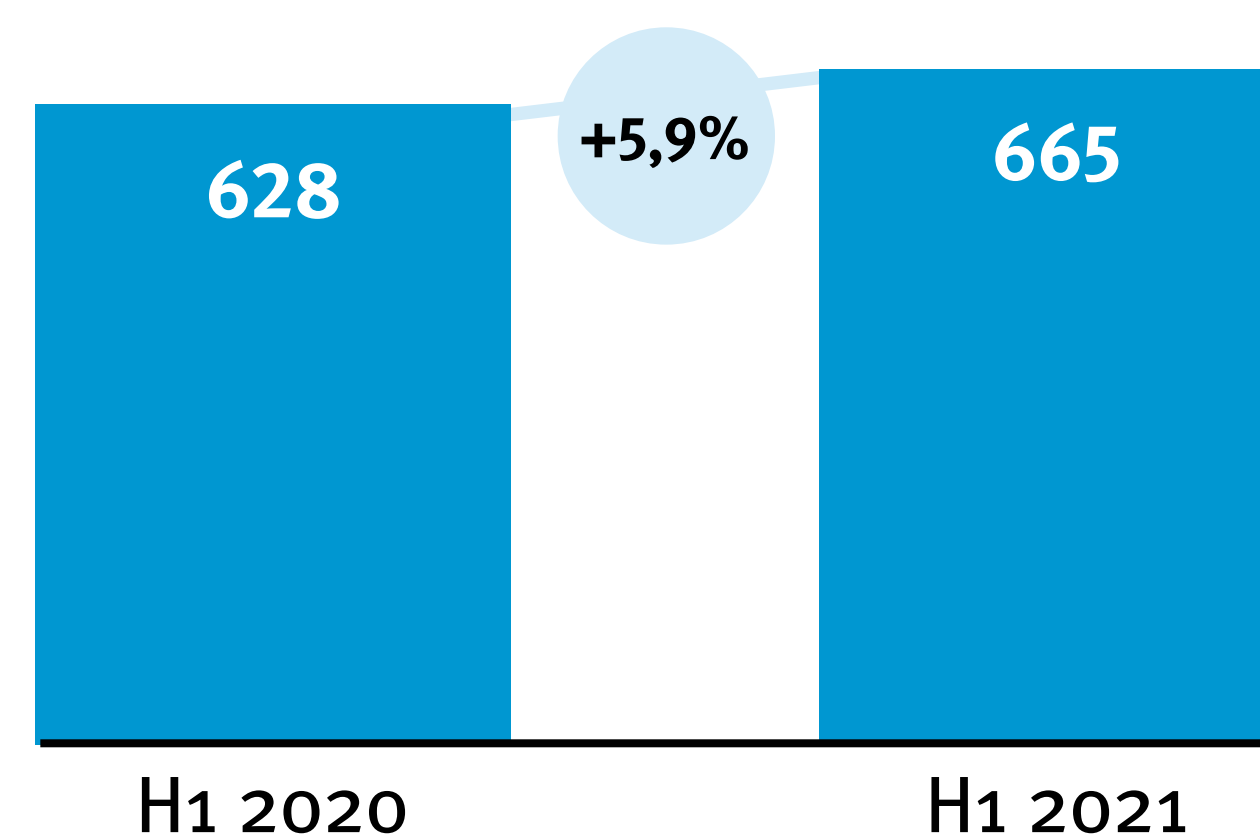
### PREMIUMS NON LIFE (M€)



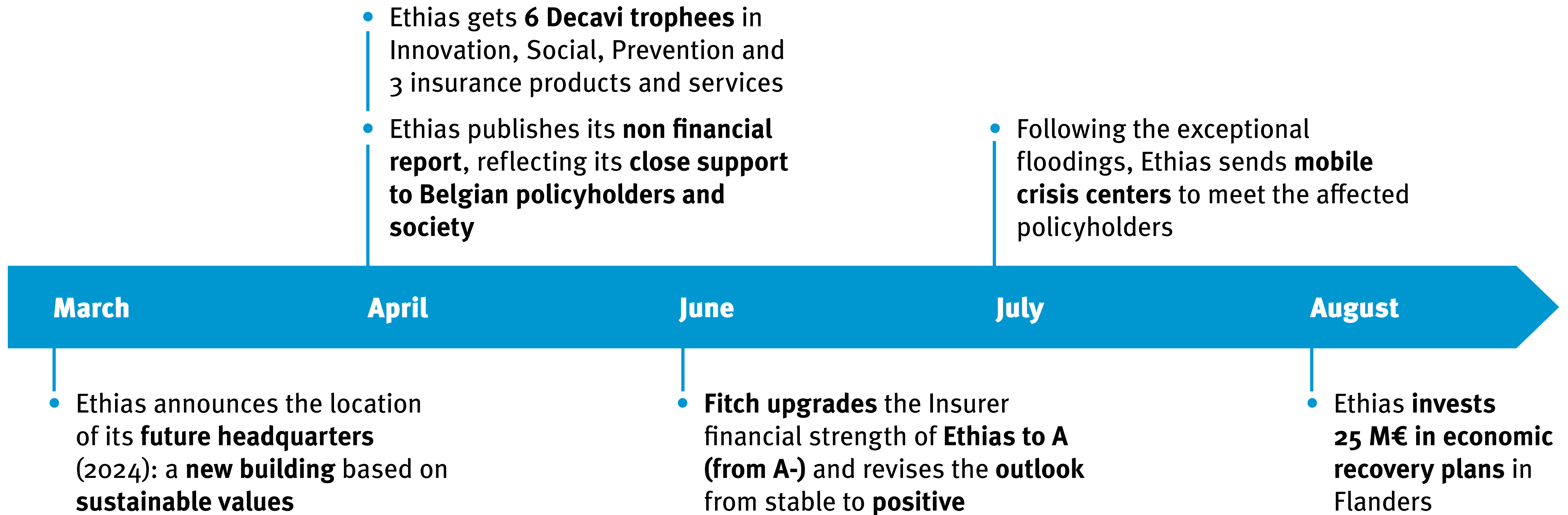
### SOLVENCY



### PREMIUMS LIFE (M€)



# MAIN EVENTS



# **ETHIAS IDENTITY AND STRATEGY**



# ETHIAS

## WHO ARE WE?



\* Indicators come from the Satisfaction & Moments of Truth survey conducted in 2019. The aim of this survey is to measure the main performance indicators (satisfaction, NPS...) and evaluate the "Moments of Truth" experienced by Ethias' Public and Corporate customers. 2019 sample: 236 customers.  
 \*\* Indicators come from the NPS (Net Promoter Score) project, a tool created in 2014 to measure the satisfaction and recommendation rate of private individuals (customers & prospects) who have had contact with Ethias. 2020 sample: 17 972 customers.  
 \*\*\* Main members with at least one premium per financial year.





# BRAND PERSONALITY

**SIMPLE, FRIENDLY, HUMANE, GOOD PRICES, RELIABLE AND EXPERT**

## ETHIAS COMPARED TO OTHER INSURERS ON THE BELGIAN MARKET.

HOW DOES ETHIAS POSITION ITSELF BASED ON THE FOLLOWING CRITERIA?

**9 OUT OF 10 CLIENTS CONSIDER ETHIAS AS THEIR PREFERRED PARTNER IN THE INSURANCE FIELD\***

SIMPLE	2 <sup>ND</sup>
FRIENDLY	2 <sup>ND</sup>
HUMANE	2 <sup>ND</sup>
GOOD PRICES	2 <sup>ND</sup>
RELIABLE	2 <sup>ND</sup>
EXPERT	2 <sup>ND</sup>
HONEST	3 <sup>RD</sup>
EFFICIENT	3 <sup>RD</sup>
DIRECT	3 <sup>RD</sup>
CLOSE	3 <sup>RD</sup>
ACCESSIBLE	4 <sup>TH</sup>
UNIQUE	4 <sup>TH</sup>
INNOVATIVE	5 <sup>TH</sup>

\*These indicators come from the «Satisfaction & Moments of Truth» study conducted amongst public bodies. This study was set up in 2011 and is renewed every 2-3 years. Sample 2021: 135 B2B no life clients.

Source : Survey InSites Consulting (2000)







### OUR BRAND PURPOSE

In this new and challenging world, we put people at the heart of everything we do, making innovation, more than ever, a lever for sustainable progress, equity and peace of mind for all.

**“Daring To Be Human Together”**



### OUR VALUES

♥ #Human

👍 #CustomerSatisfaction

✓ #Commitment

✦ #Enthusiasm

**#PROUDTOBEETHIAS**



### OUR MISSION

Making insurance **easier** so as to bring you security, peace of mind and freedom of initiative, with innovative services and products.

As **partner** of your daily life, we put our expertise and our energy at your service.



### OUR VISION

As Belgium's leading insurance company, Ethias' ambition is to strengthen its position as number 1 direct insurer by increasing its market share and its attractiveness based on new consumer habits.

This ambition is based on constant and profitable growth by:

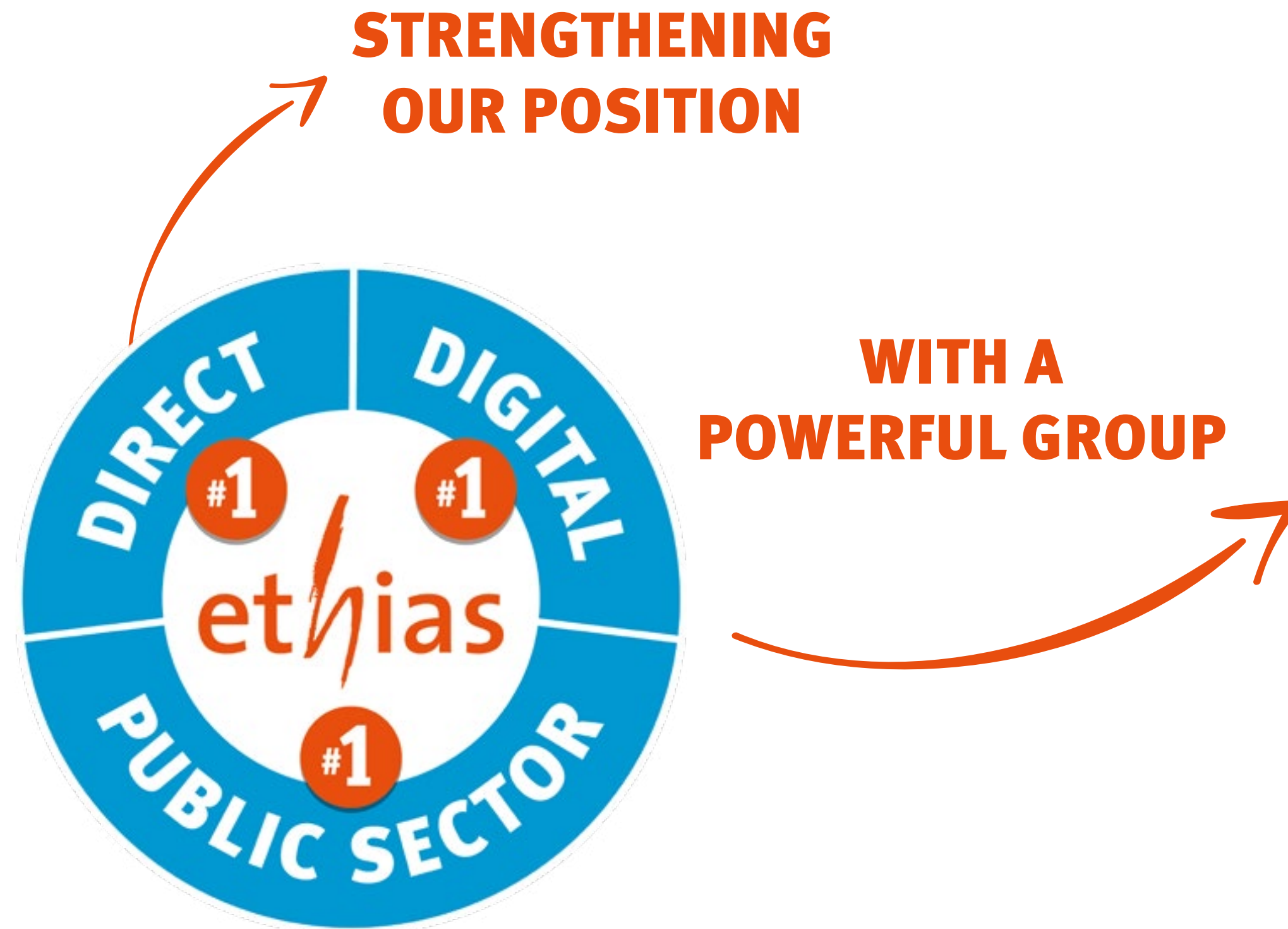
- Positioning itself as a reference player in the areas of mobility, ageing and health
- Strengthening our relations with the public sector through a partnership with Ethias
- Enhancing the customer experience as well as our offer to better meet customer expectations.
- Continuously innovating in terms of processes and services, for greater attractiveness, efficiency and productivity.
- Turning our employees into our main brand ambassadors
- Growing externally.

This growth should enhance value creation and capture to support our presence in new markets against new forms of competition. It will also enable Ethias to be an attractive employer and to pay out an expected level of dividends to our shareholders.



# ETHIAS – A CLEAR STRATEGY

WHAT'S NEXT: FROM INSURER TO INTEGRATED SERVICE PROVIDER



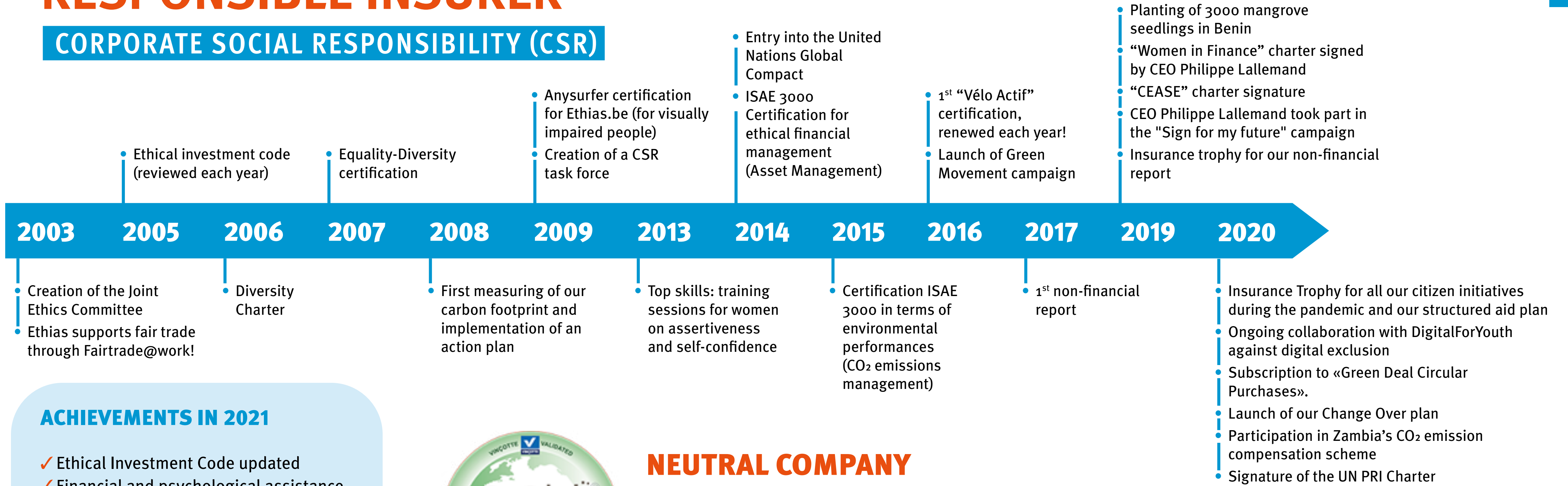
- Offering extended **SERVICES**
- Developing **DIGITAL** and technological **INNOVATIONS**
- Building **ECOSYSTEMS**
- Creating **SYNERGIES** and pooling **SKILLS**
- Building **PARTNERSHIPS** and rethinking our **SALES APPROACH**





# RESPONSIBLE INSURER

## CORPORATE SOCIAL RESPONSIBILITY (CSR)



### ACHIEVEMENTS IN 2021

- ✓ Ethical Investment Code updated
- ✓ Financial and psychological assistance to freelancers and TPE
- ✓ Support plan for Covid vaccination centres and for volunteers
- ✓ Free psychological help for young people
- ✓ Ethias invests EUR 25 million in Flemish economic recovery plans
- ✓ Solidarity actions following the flooding (App4You, mobile crisis centres to meet our policyholders on-site, automatic advance of funds for urgent expenses, psychological support, etc.)



### NEUTRAL COMPANY CERTIFICATION



### REFORESTING ZAMBIA

### 17 SUSTAINABLE DEVELOPMENT GOALS





# RESPONSIBLE INSURER

## WHAT'S NEXT? CARBON NEUTRAL HORIZON

### 2 APPROACHES

**LOW CARBON:** build low-carbon buildings, avoid unnecessary trips and reduce unnecessary consumption.  
**ENERGY SHIFT:** gradual shift towards full green energy produced by low-carbon sources.

### 3 STEPS



2020  
2021

### 3 THEMES

FINANCE / IT

MOBILITY



INFRASTRUCTURE





# RESPONSIBLE INSURER

## INVOLVED IN THE COVID-19 HEALTH CRISIS

2020 & 2021 DECAVI TROPHY  
“PANDEMIC” CATEGORY



### SUPPORT SEVERAL STAKEHOLDERS:

- ✓ Support for the Red Cross and MSF (Doctors Without Borders) and to the line Ecoute Violences Conjugales
- ✓ Support for sport facilities in municipalities (#1 public sector)
- ✓ Extended coverages for the healthcare sector (#1 public sector)
- ✓ Key measures for insured (Car, Assistance, Home)
- ✓ Community volunteering app (App4You) (#1 digital)
- ✓ Teleconsultation platform (Care4You) (#1 digital and public sector)
- ✓ Gift of PC's to schools (Digital4Youth) (#1 digital)
- ✓ Distribution of prevention kits to cultural organizations and donation to ArtistsUnited (#1 public sector)
- ✓ Decavi «Pandemic» Award
- ✓ Support for the recovery plan: Walloon, Flemish, Brussels and federal

### FOR OUR B2C CUSTOMERS:

- ✓ Cancellation Insurance: financial compensation for the whole portfolio
- ✓ Tenant Insurance: financial compensation for temporarily unemployed customers due to Covid-19
- ✓ Car Insurance: financial compensation for unemployed customers
- ✓ Let's Talk : free psychological help for young people

### FOR OUR B2B CUSTOMERS:

- ✓ Extended coverage (public, healthcare, education)
- ✓ Suspended guarantees for car fleets
- ✓ Insurance contract cancellation
- ✓ Insurance coverage when working from home
- ✓ Extra payment facilities
- ✓ Financial and psychological assistance to freelancers and TPE
- ✓ Support plan for Covid vaccination centres

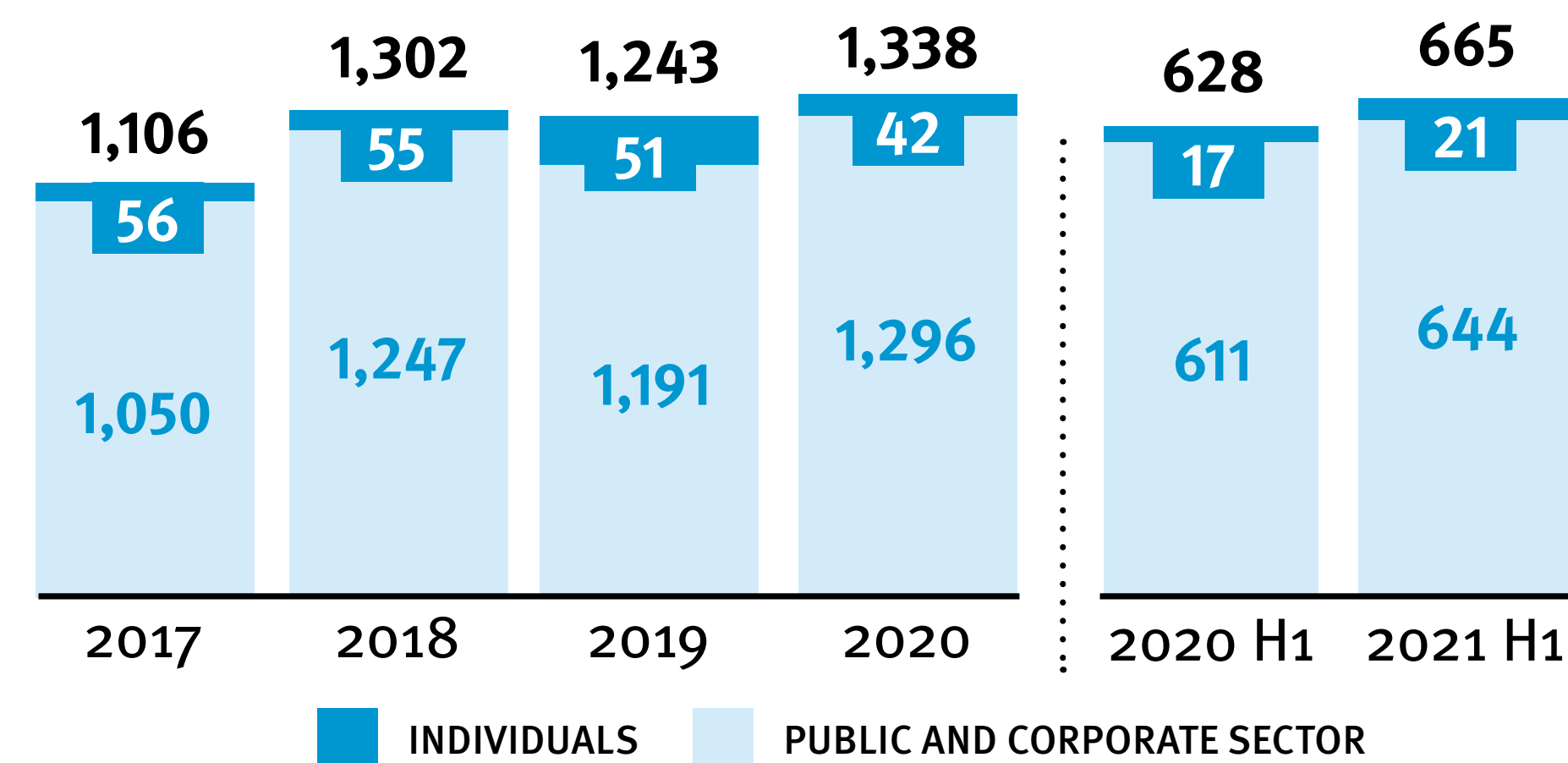
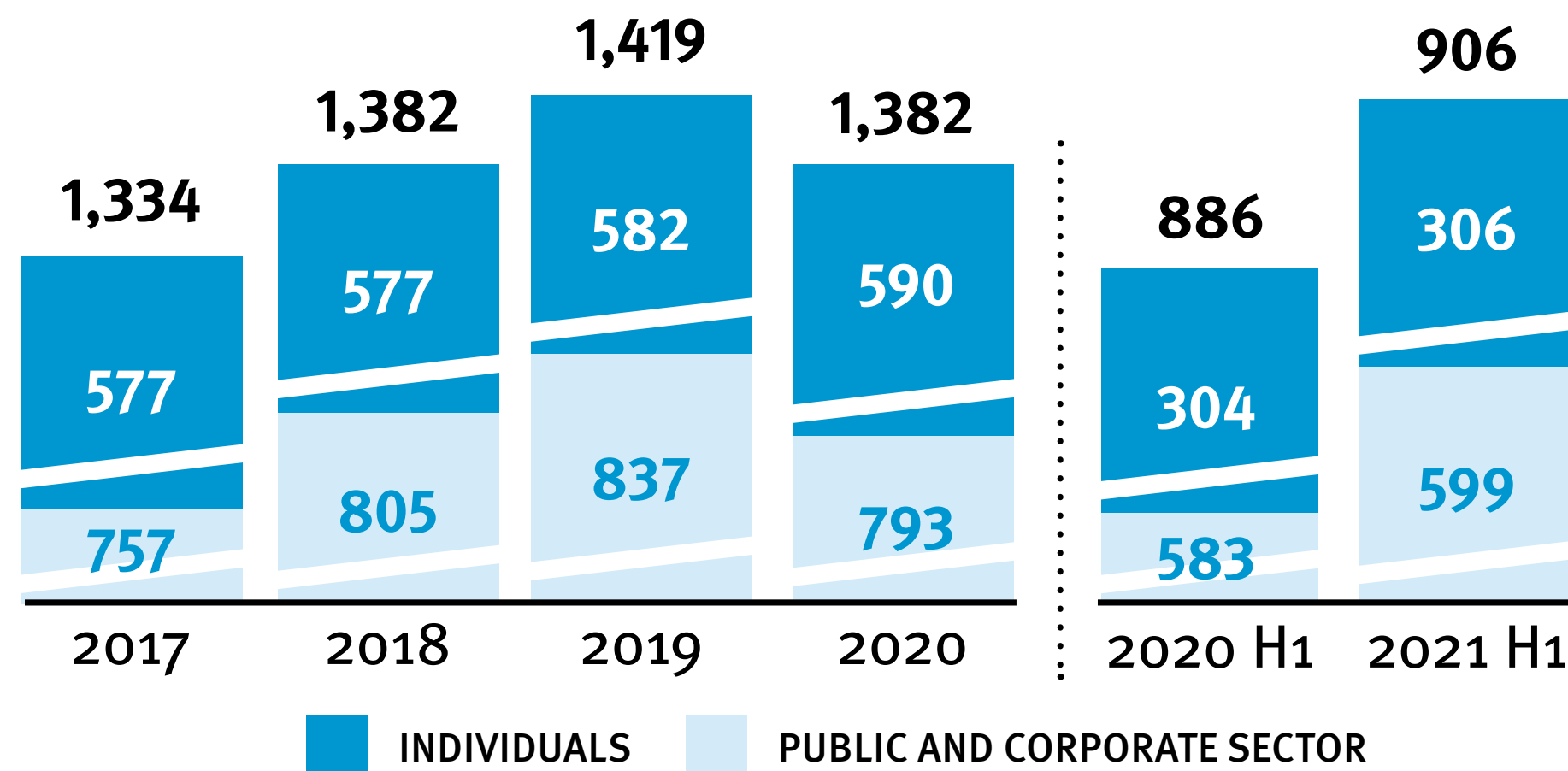
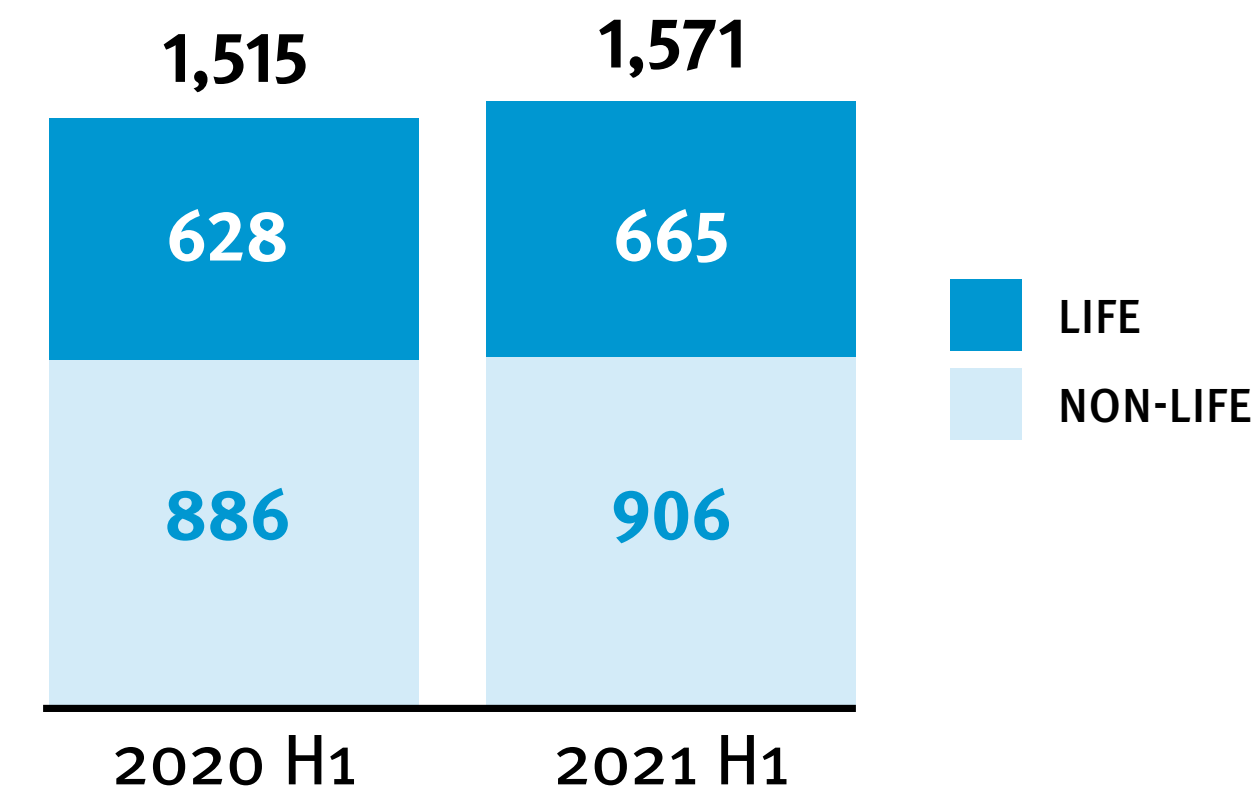
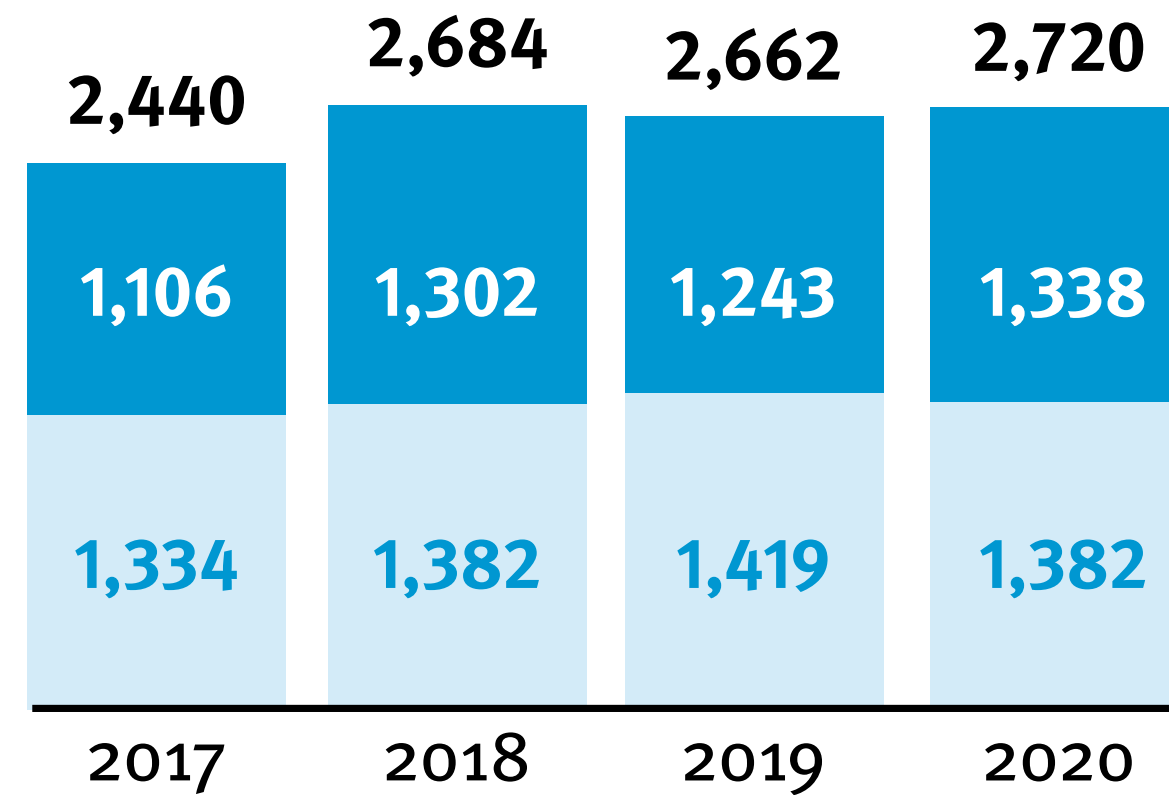


# FINANCIAL PERFORMANCE IFRS\*

\* IFRS consolidated financial statements of Ethias (defined as Ethias SA and its subsidiaries)

# NON-LIFE AND LIFE PREMIUMS

## EVOLUTION IN GROSS WRITTEN PREMIUMS (€M)



- Increase of **Non-Life** premiums by +2.3%
- +0,8% in Retail thanks to growth in Fire (+3,4%) and Car (+0,5%)
- +2,9% in Public & Corporate thanks to growth in Worker's compensation (+12,18%) compensated by decrease in Healthcare (-4,5%).

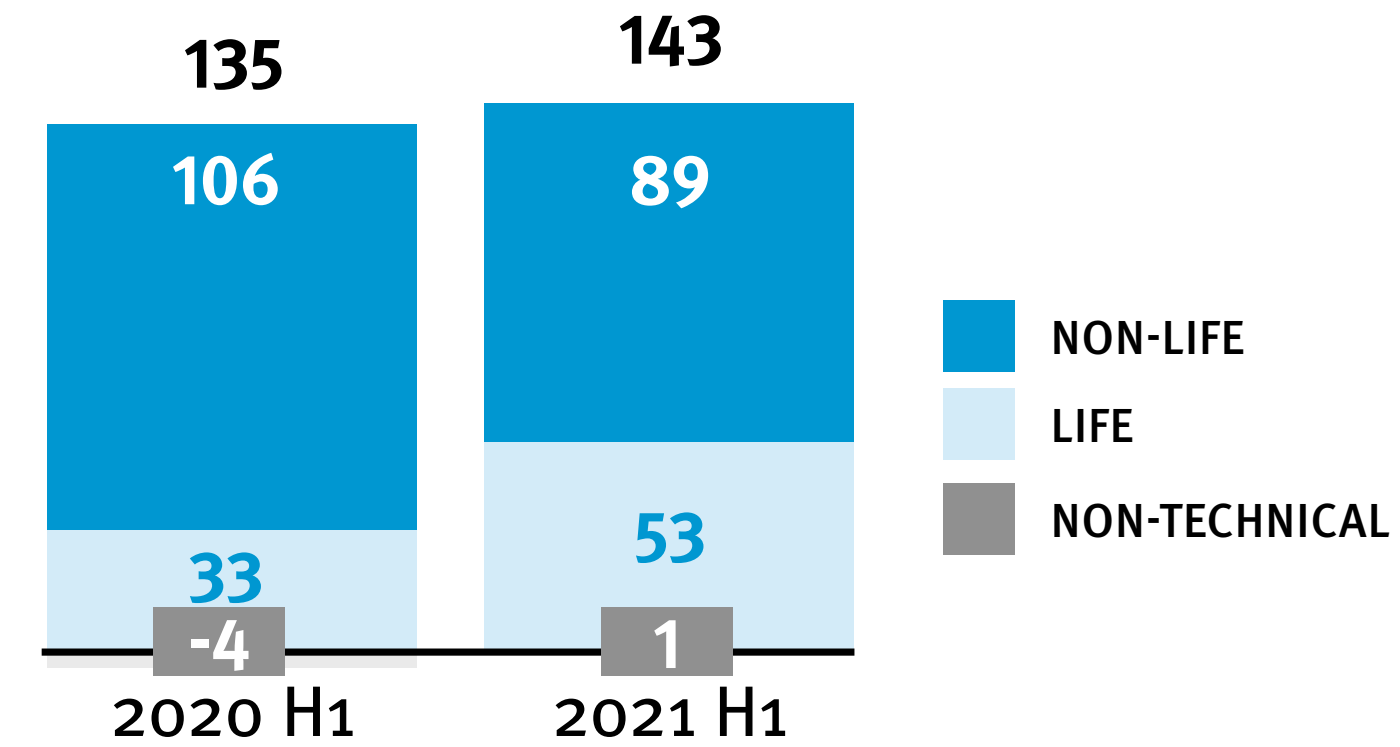
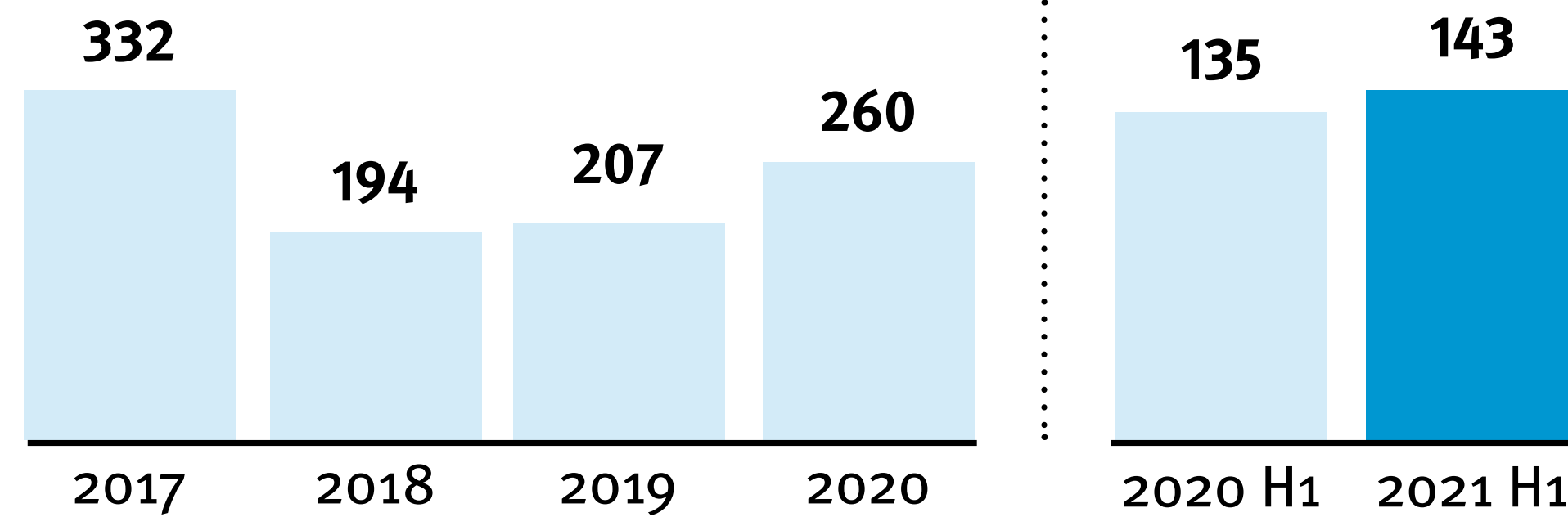
- Increase in **Life** +5.9% mainly due to single premiums in 1st pillar



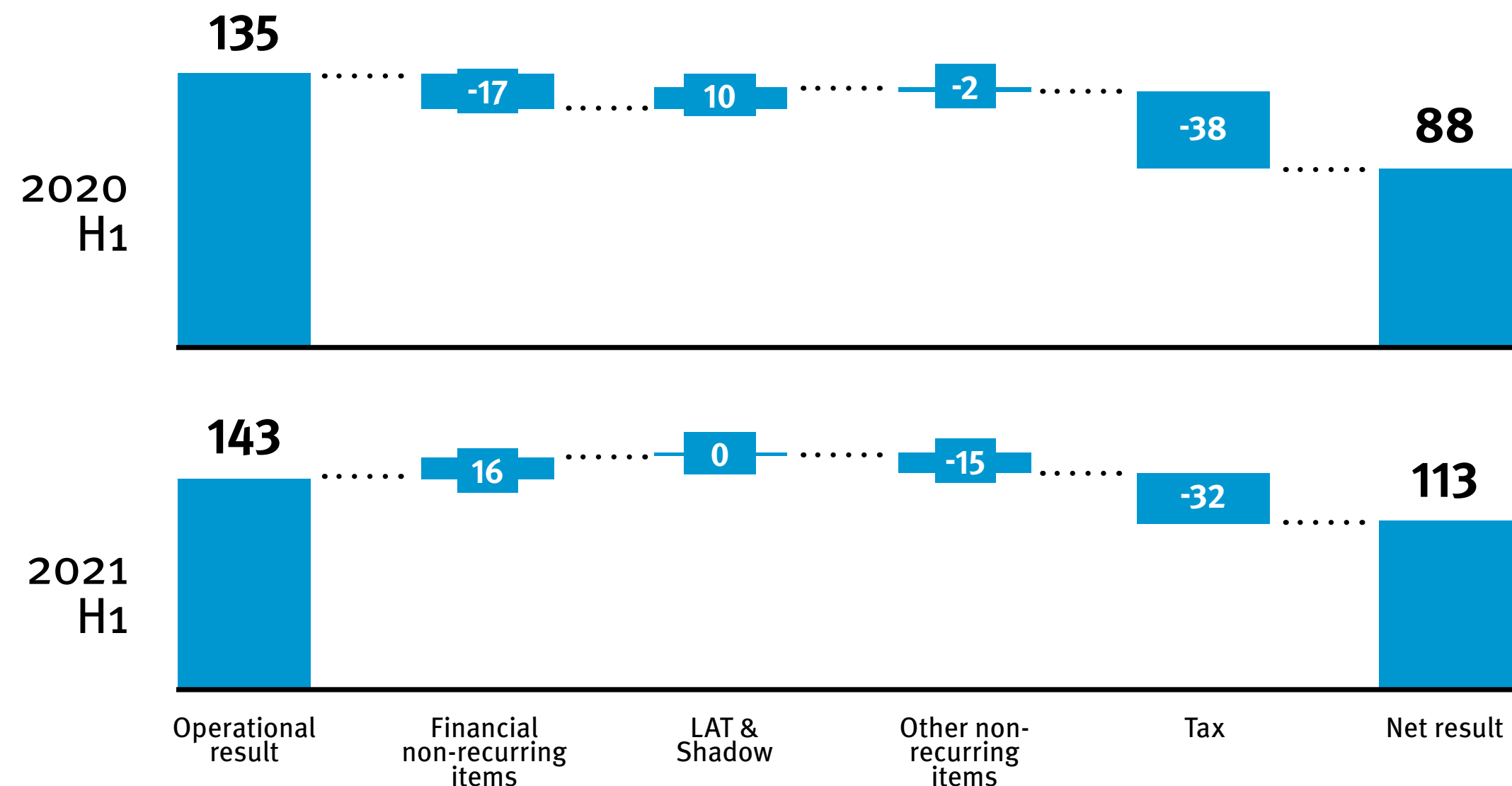
# OPERATIONAL RESULT

## EVOLUTION IN OPERATIONAL RESULT\* (M€)

\* Part of the group



## FROM OPERATIONAL RESULT TO NET RESULT (M€)

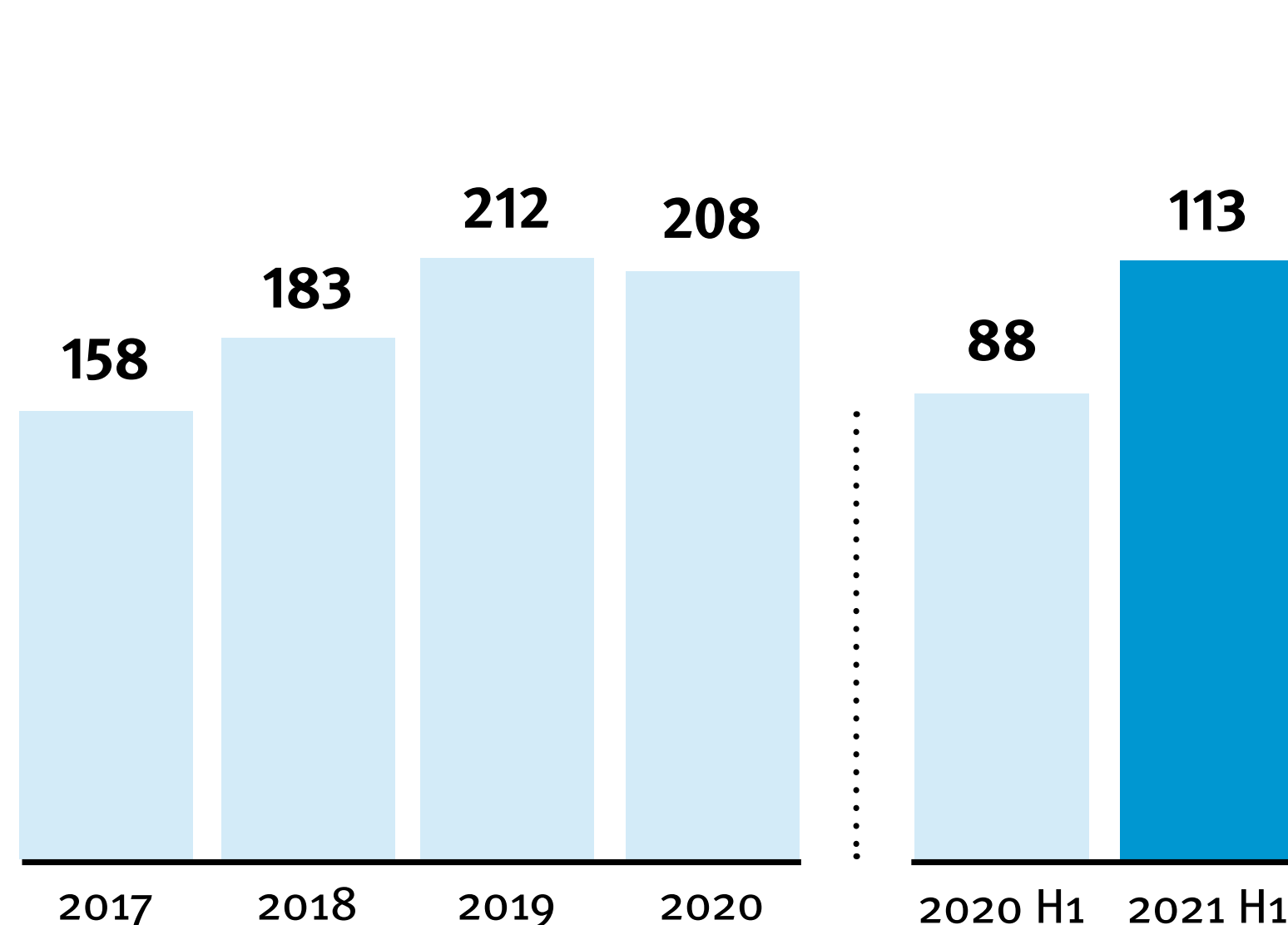


- The operational result amounts to 143 M€ which is higher than H1 last year (+8 M€).
  - the main contributor remains Non-Life : 89 M€
  - while the Life activity accounts for 53 M€.
- The performance in Non-Life (operational result -17 M€) is due to:
  - The significant positive impact of Covid 19 in H1 2020 especially for Motor (low frequency) was not replicated in H1 2021
  - partially compensated by lower impact of storms in H1 2021
- The performance in life (operational result +20 M€) is stronger due to :
  - no provision in illness and disability in H1 2021 (vs -3,5 M€ in H1 2020)
  - important mortality gains
- The net result increases from 88 M€ to 113 M€ mainly due to the increase in operational result (+8M€), the increase in nonrecurring financial revenues (+33 M€) and the decrease in tax (+6 M€), partially offset by LAT & shadow (-10 M€) and higher negative impact of other non-recurring items (-13 M€).

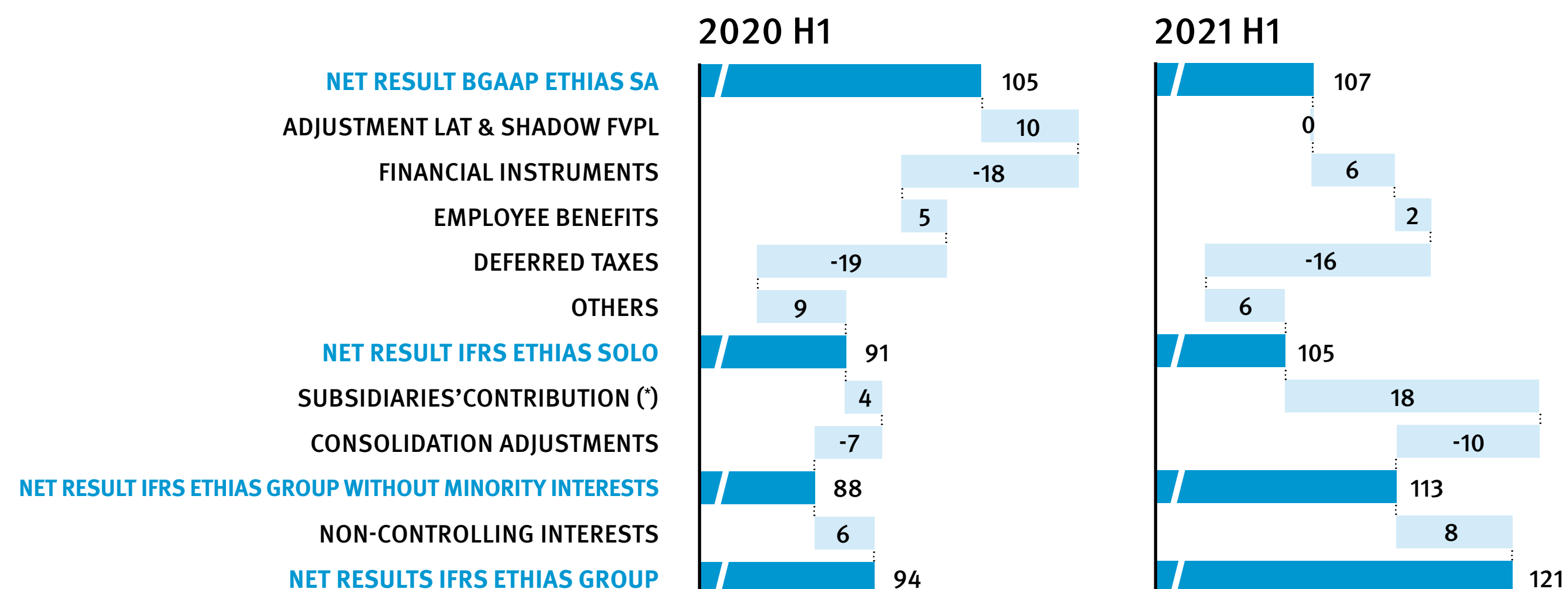


# NET RESULT

## EVOLUTION IN NET RESULT (M€)



## RECONCILIATION OF NET RESULT BETWEEN BGAAP & IFRS (M€)



## BREAKDOWN OF NET RESULT, WITHOUT MINORITY INTERESTS (M€)

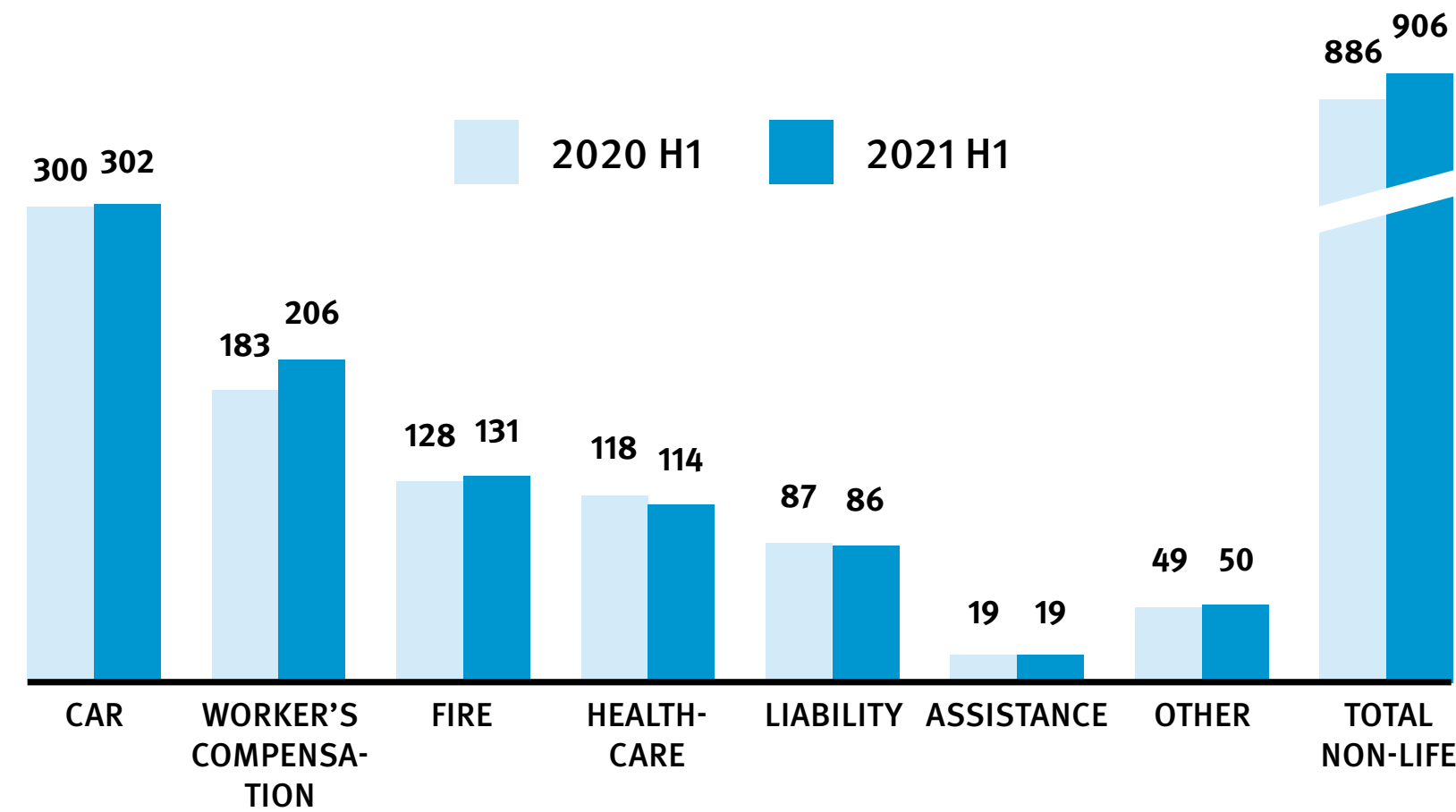
	2017	2018	2019	2020	2020 H1	2021 H1
<b>Technical result</b>	<b>400</b>	<b>146</b>	<b>269</b>	<b>287</b>	<b>132</b>	<b>144</b>
o/w Non-Life	299	143	157	192	95	82
o/w Life	101	3	112	95	37	62
<b>Non-technical result</b>	<b>-158</b>	<b>-21</b>	<b>-19</b>	<b>-12</b>	<b>-6</b>	<b>2</b>
<b>Tax</b>	<b>-84</b>	<b>58</b>	<b>-38</b>	<b>-68</b>	<b>-38</b>	<b>-32</b>
<b>Net Result</b>	<b>158</b>	<b>183</b>	<b>212</b>	<b>208</b>	<b>88</b>	<b>113</b>
For reference :						
<b>Net Result BGAAP</b>	<b>106</b>	<b>170</b>	<b>190</b>	<b>205</b>	<b>105</b>	<b>107</b>

(\*) Mainly NRB, Ethias Sustainable Investment Fund and Real estate subsidiaries



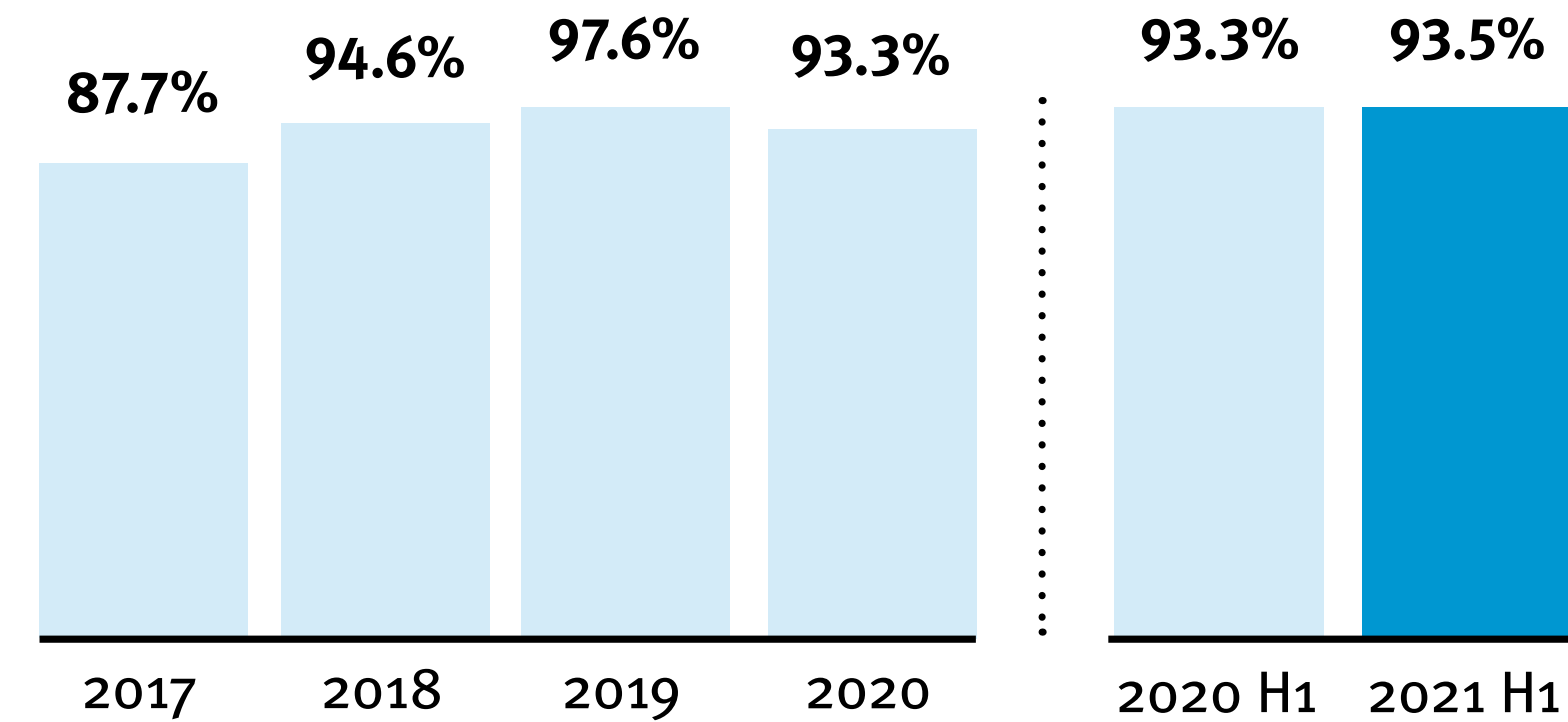
# FOCUS ON NON-LIFE BUSINESS

## NON-LIFE GROSS WRITTEN PREMIUMS

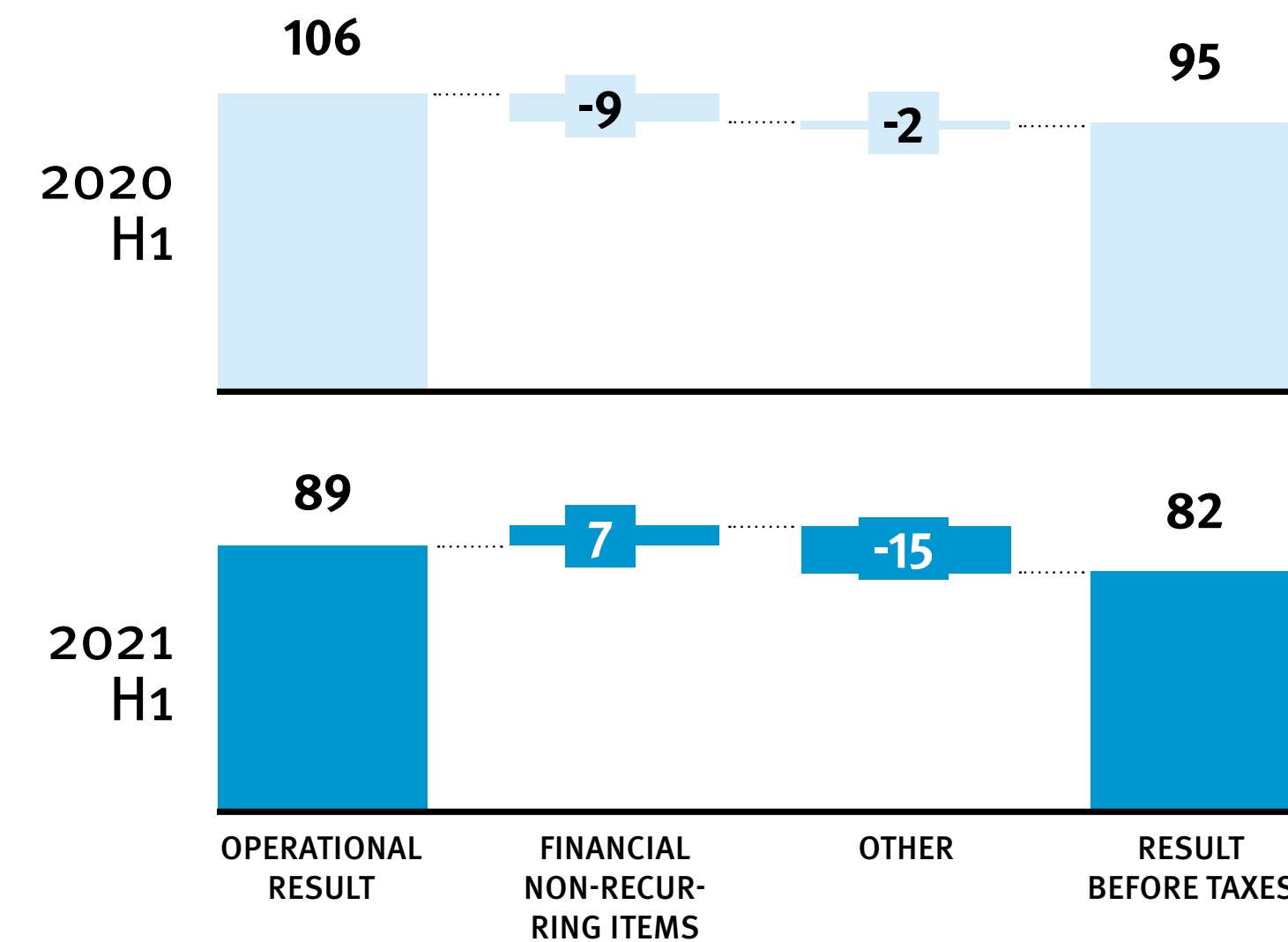
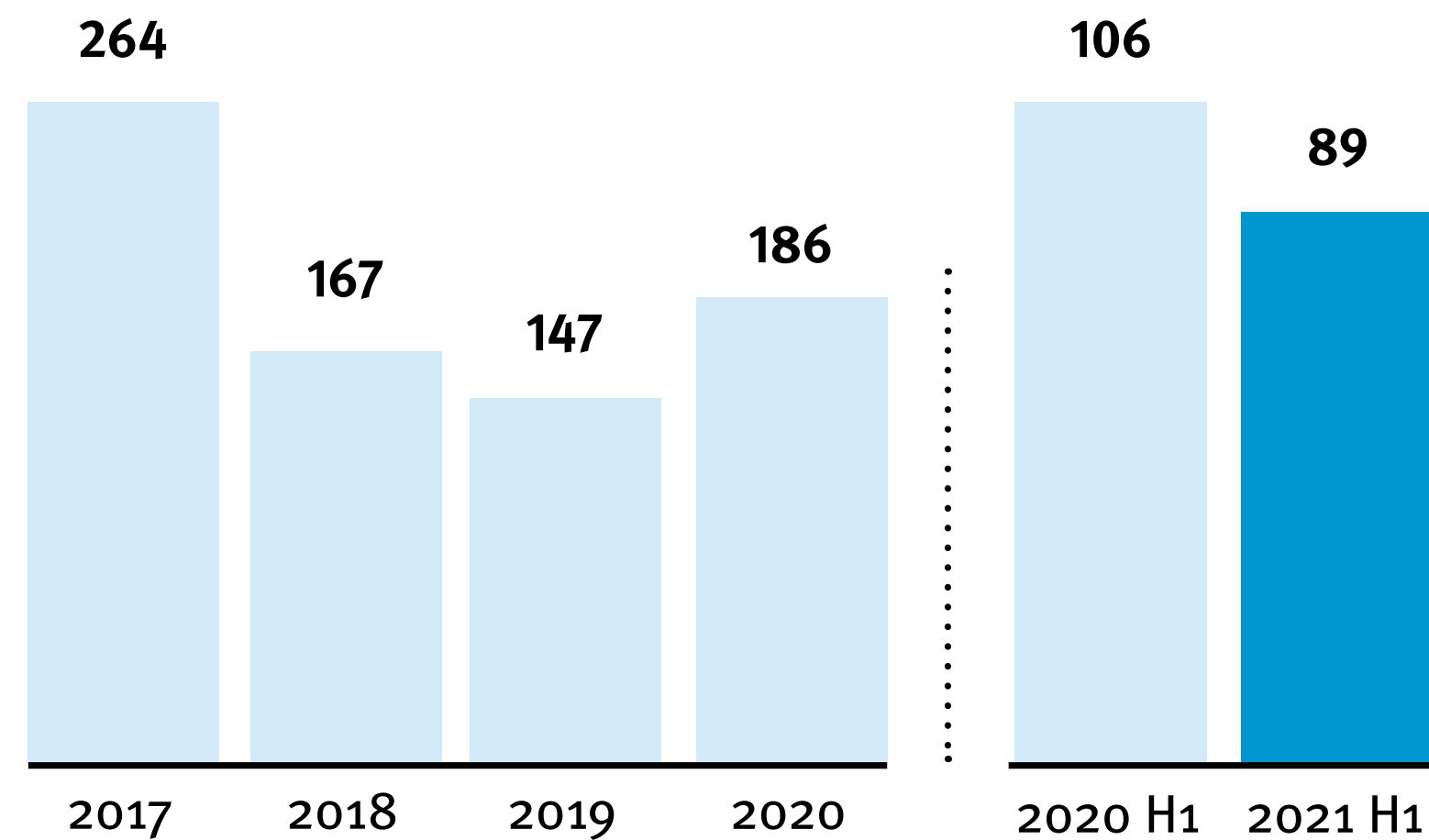


Growing premiums in Worker's compensation; stable premiums in nearly all other products.

## COMBINED RATIO

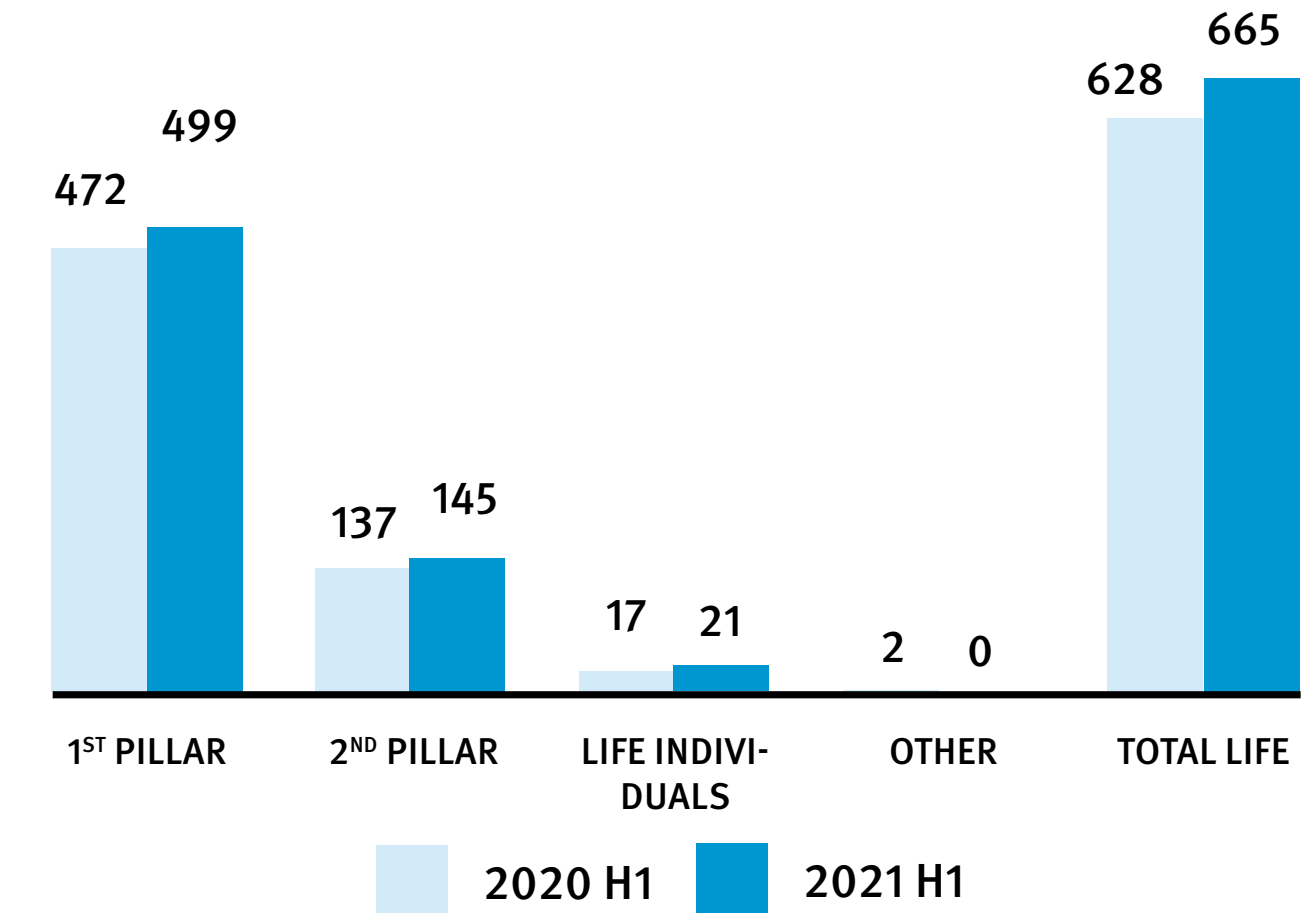
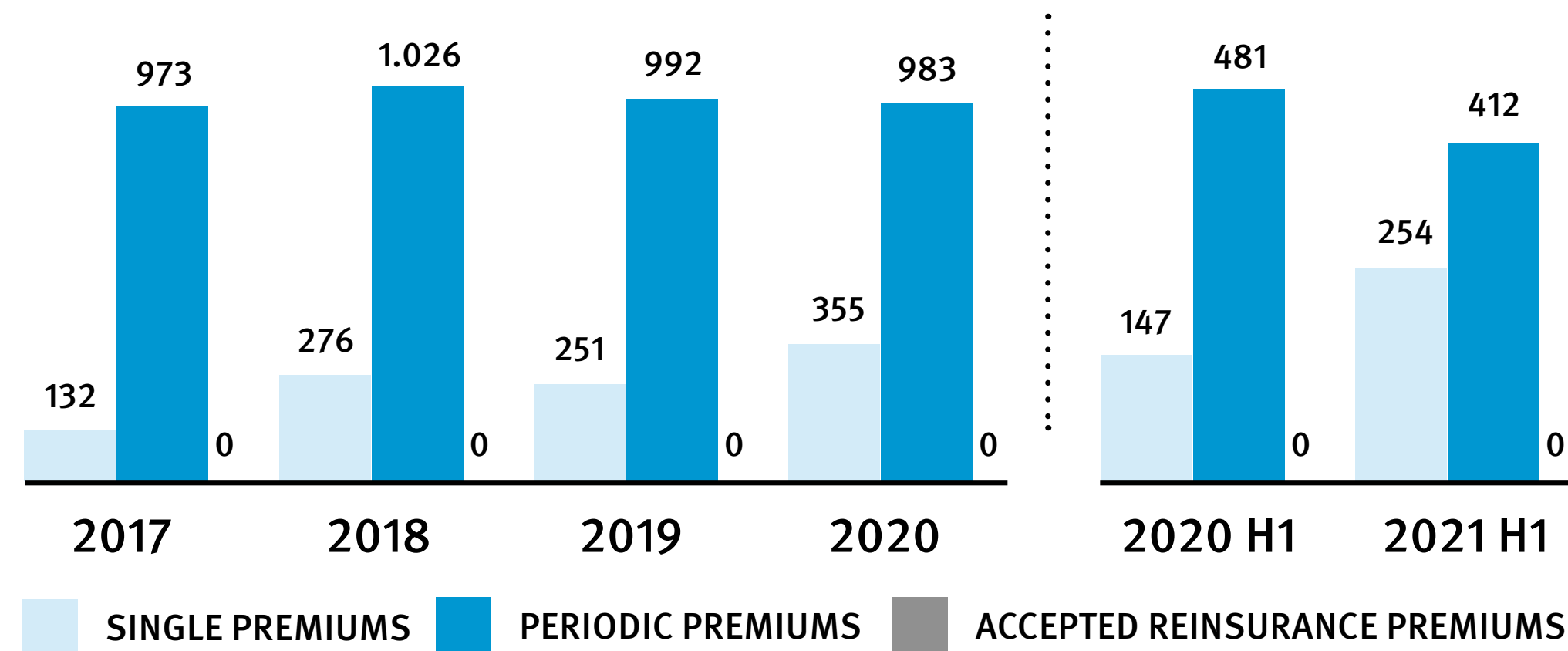


## NON-LIFE OPERATIONAL RESULT

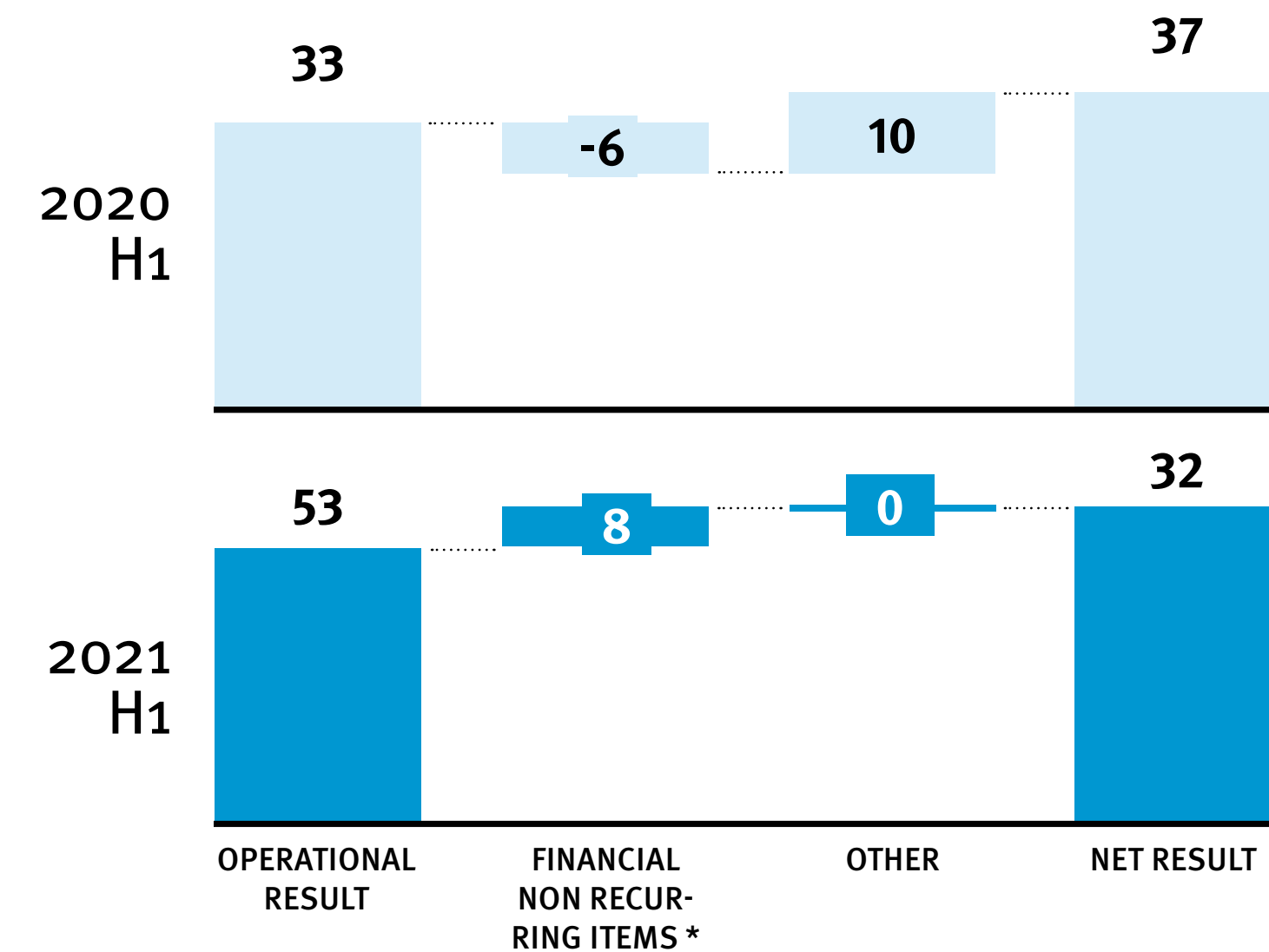
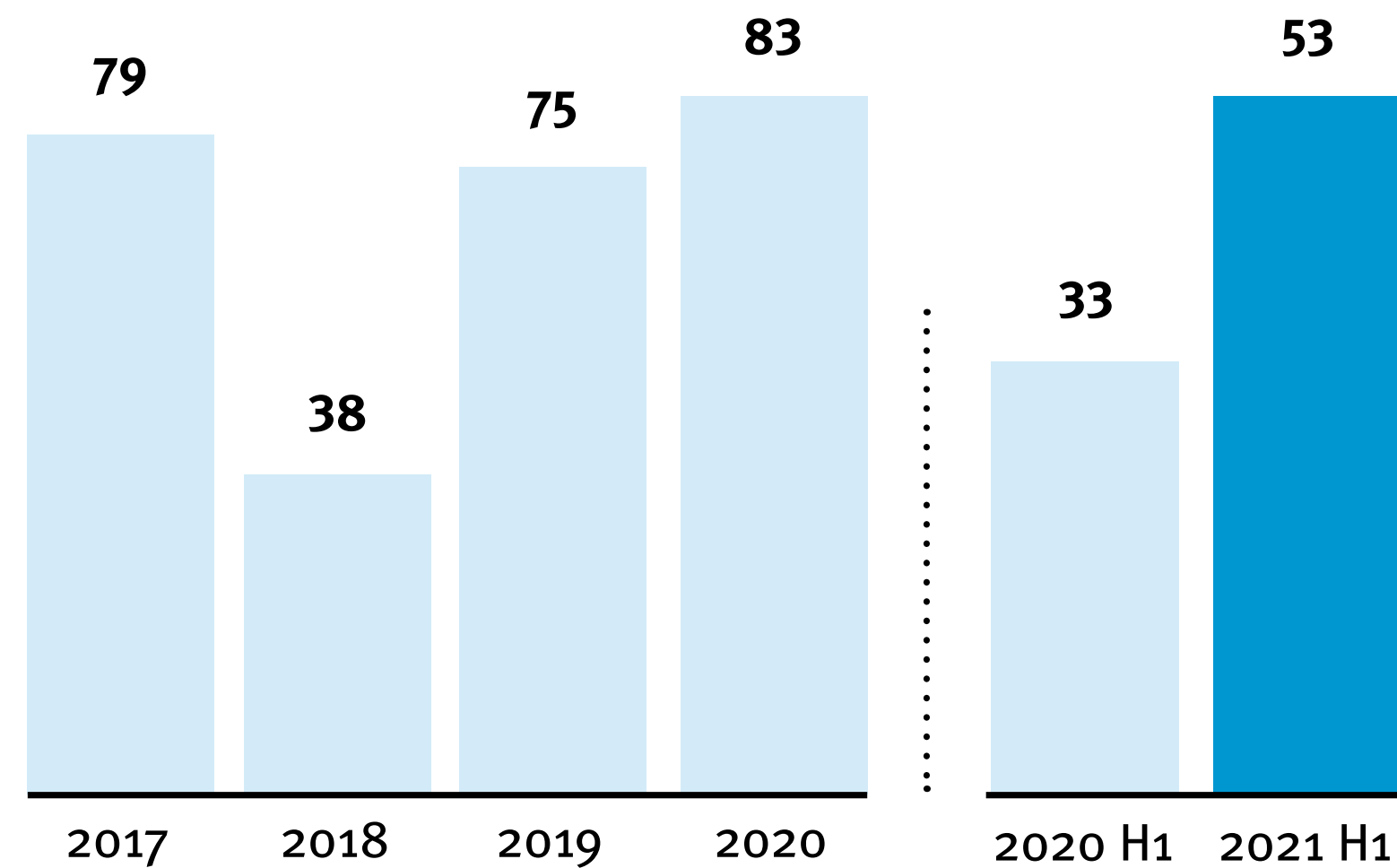


# FOCUS ON LIFE BUSINESS

## LIFE GROSS WRITTEN PREMIUMS (M€)



## LIFE OPERATIONAL RESULT



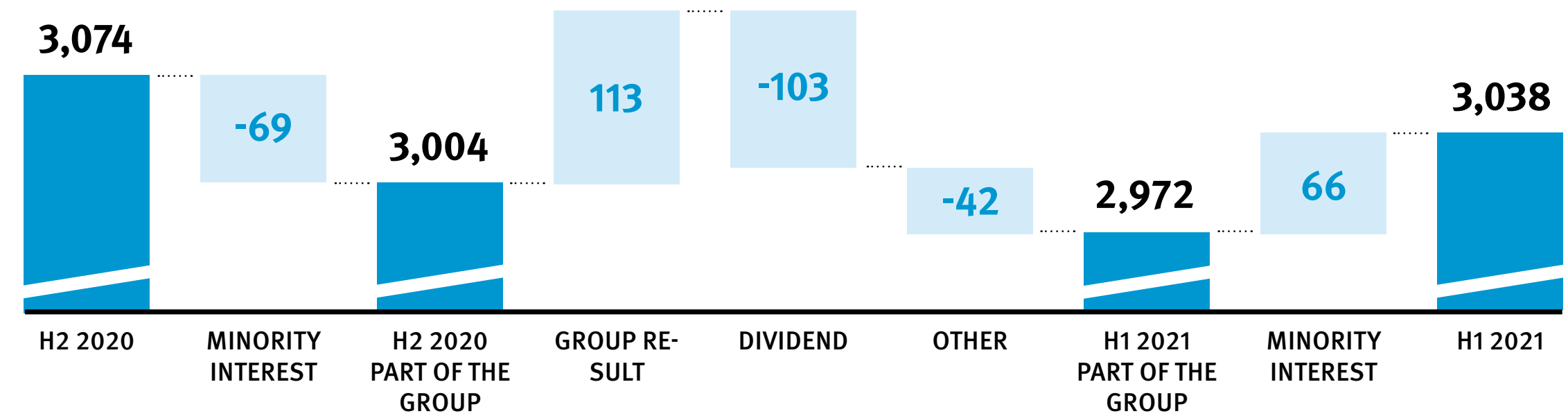
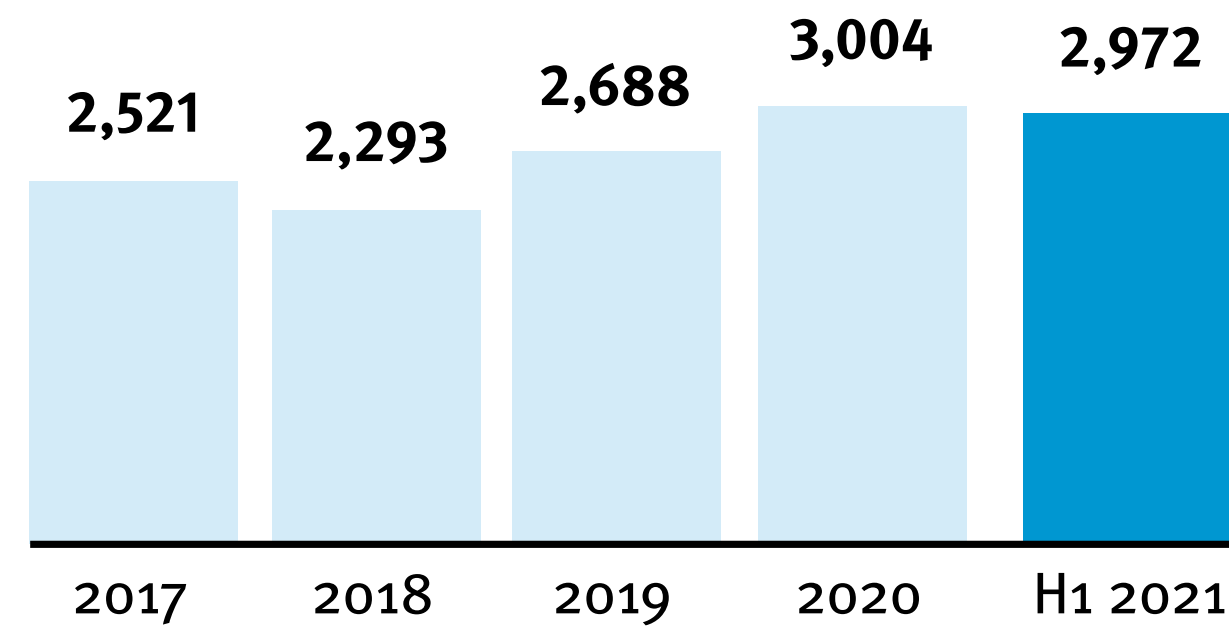
\* Financial nonrecurring items include fair value through P&L for the part not compensated by shadow accounting





# OWN FUNDS AND LEVERAGE

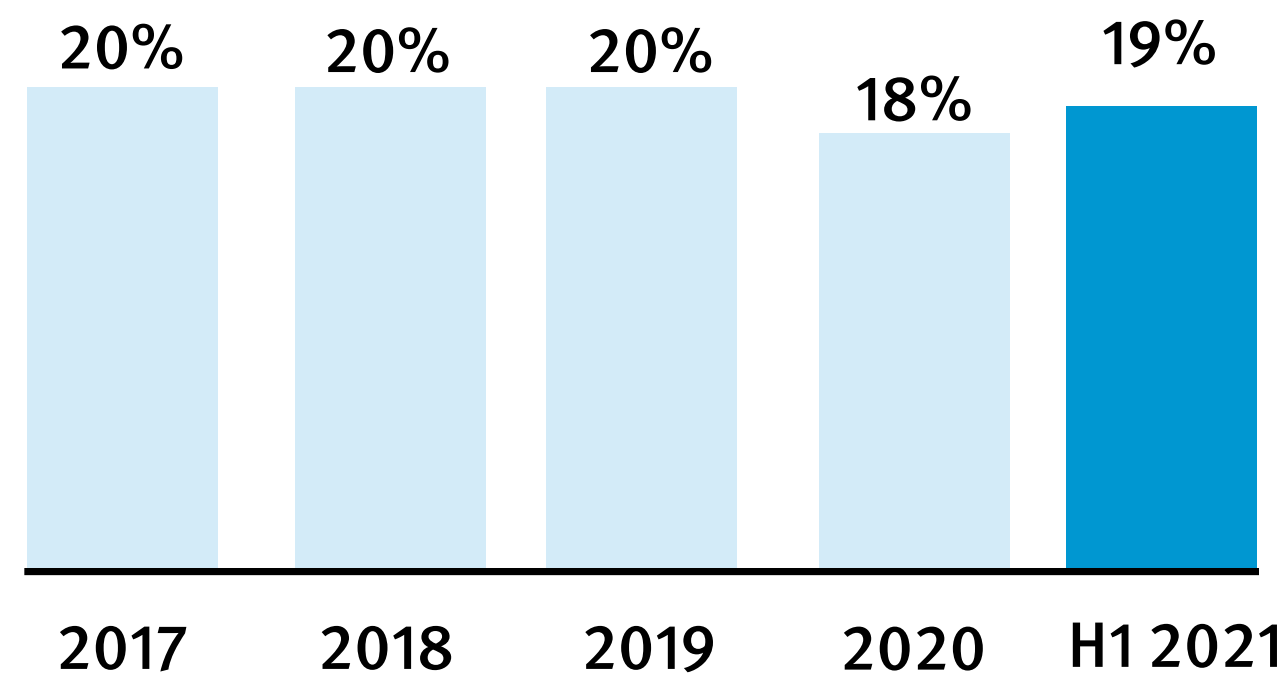
## OWN FUNDS



The decrease in equity (part of the group) between end-December 2020 and end-June 2021 is mainly explained by :

- the net result of the period (+113 M€): 105 M€ from Ethias SA and 8 M€ from consolidation adjustments and Subsidiaries' contribution;
- the dividend attributed to the shareholders (-103 M€);
- the change in other equity items (-42 M€)

## LEVERAGE



The financial leverage ratio increased slightly in H1 2021 due to the decrease in own funds. Debt amounts remained stable.

# DURATION GAP

## THE DURATION GAP IS STILL UNDER CONTROL AND BELOW ONE YEAR

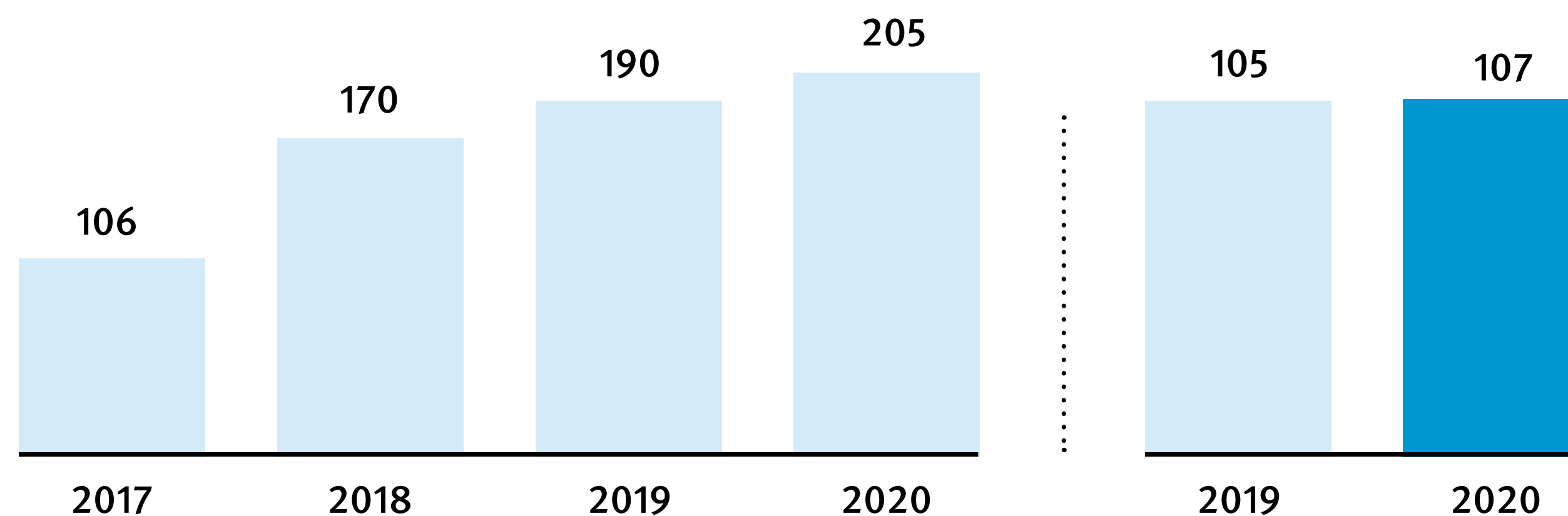
	31-12-20			31-06-21		
	Assets Duration	Liab. Duration	Duration gap	Assets Duration	Liab. Duration	Duration gap
Total Life	8.71	10.26	(0.13)	8.13	9.97	(0.25)
Total Non-Life	6.65	8.93	0.03	6.92	8.21	0.51
Total w/o IAS 19			(0.03)			(0.01)
Total with IAS 19			(0.28)			(0.26)

- The **sensitivity** of own funds to a change in interest rates is **under control** and does not present a major risk.
- The own funds are still exposed negatively to a decrease of the interest rates but with a low impact considering the nearly closed duration gap.
- The significant interest rates increase in H1 2021 reduced our liabilities' sensitivity to interest rates movements.
- The actions taken in the last couple of years allowed us to reduce the life's duration gap, and maintain it close to zero. Especially our long term investments, the implementation of our repo's strategy and our swaps hedging program.
- The non life duration gap increased slightly, due to swap rates increase and investments on longer maturities in order to manage our global duration gap (life + non life).
- The duration gap including IAS 19 provisions remains below 1 year.

# FINANCIAL PERFORMANCE BGAAP\*

\* Statutory accounts of Ethias SA

# NET RESULT IN BGAAP



	2017	2018	2019	2020	2020 H1	2021 H1
<b>Non-Life technical result</b>	<b>244</b>	<b>145</b>	<b>116</b>	<b>167</b>	<b>97</b>	<b>83</b>
o/w Technicals items	363	290	269	319	167	158
o/w Financial revenues	125	90	110	99	56	49
o/w Expenses	-244	-235	-263	-251	-125	-124
<b>Life technical result</b>	<b>24</b>	<b>37</b>	<b>103</b>	<b>81</b>	<b>31</b>	<b>43</b>
o/w Technicals items	-373	-218	-347	-217	-100	-93
o/w Financial revenues	435	282	479	332	144	153
o/w Expenses	-38	-27	-29	-34	-14	-17
<b>Non-technical result</b>	<b>-158</b>	<b>6</b>	<b>-20</b>	<b>-25</b>	<b>-13</b>	<b>-5</b>
<b>Taxes</b>	<b>-4</b>	<b>-18</b>	<b>-9</b>	<b>-18</b>	<b>-10</b>	<b>-14</b>
<b>Net Result*</b>	<b>106</b>	<b>170</b>	<b>190</b>	<b>205</b>	<b>105</b>	<b>107</b>

\* Before transfers to untaxed reserves



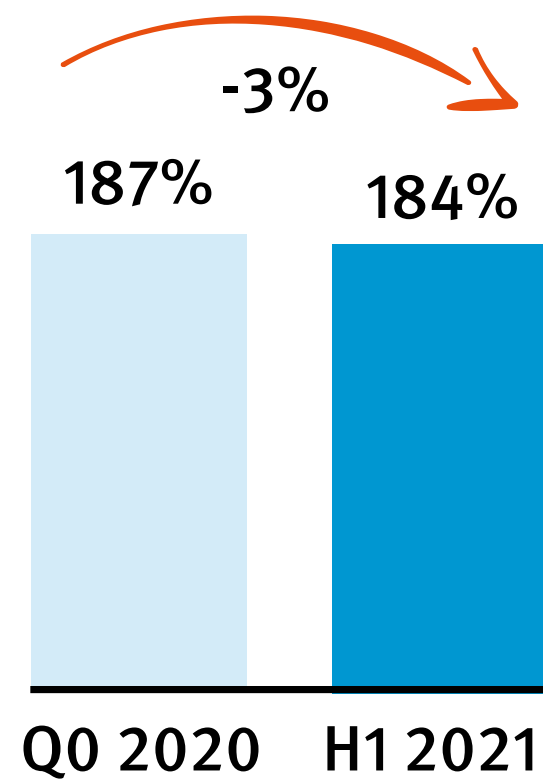
# SOLVENCY II\*

\* Solvency 2 quarterly reporting of Ethias SA solo

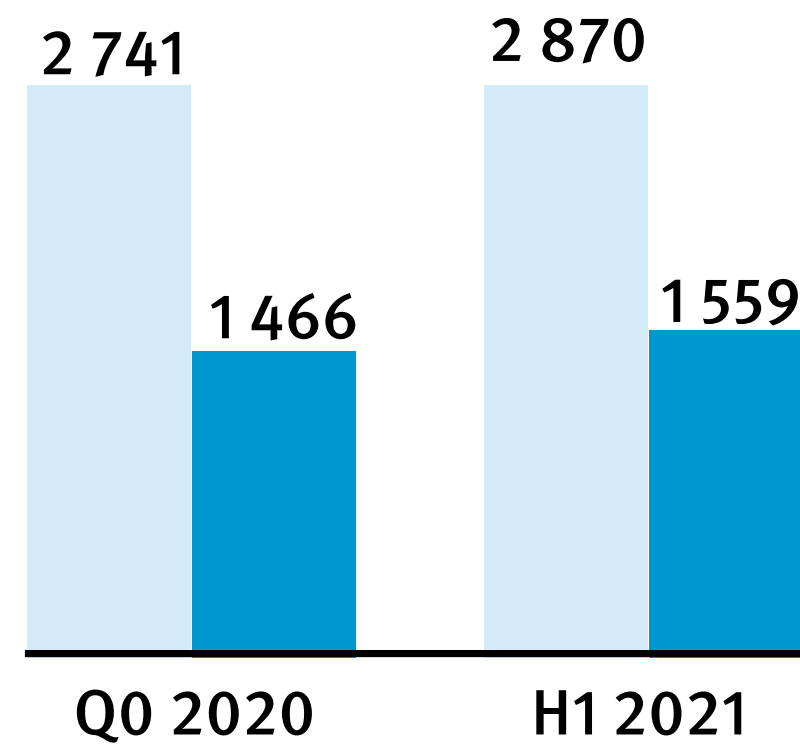
# SOLVENCY RATIOS

THE SII RATIO STANDS AT 184% AFTER DIVIDEND, WHICH IS IN OUR TARGET RANGE

## SOLVENCY CAPITAL REQUIREMENT (SCR) RATIO

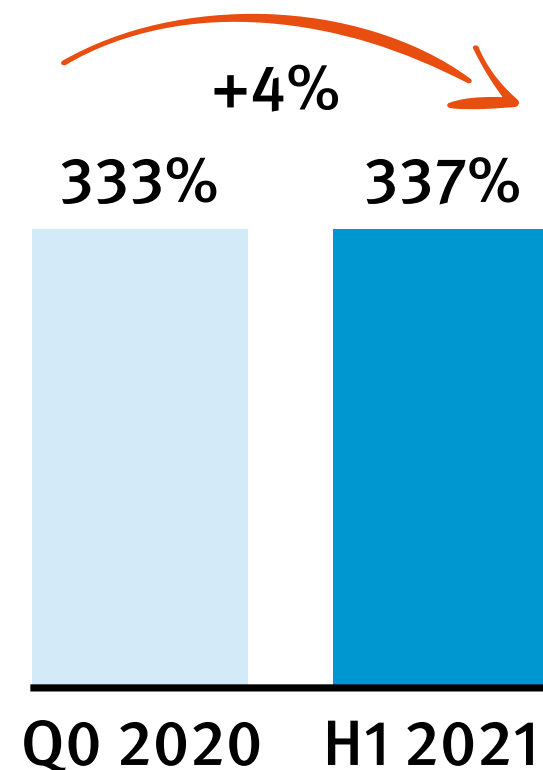


## ELIGIBLE OWN FUNDS FOR SCR COVERAGE IN M€

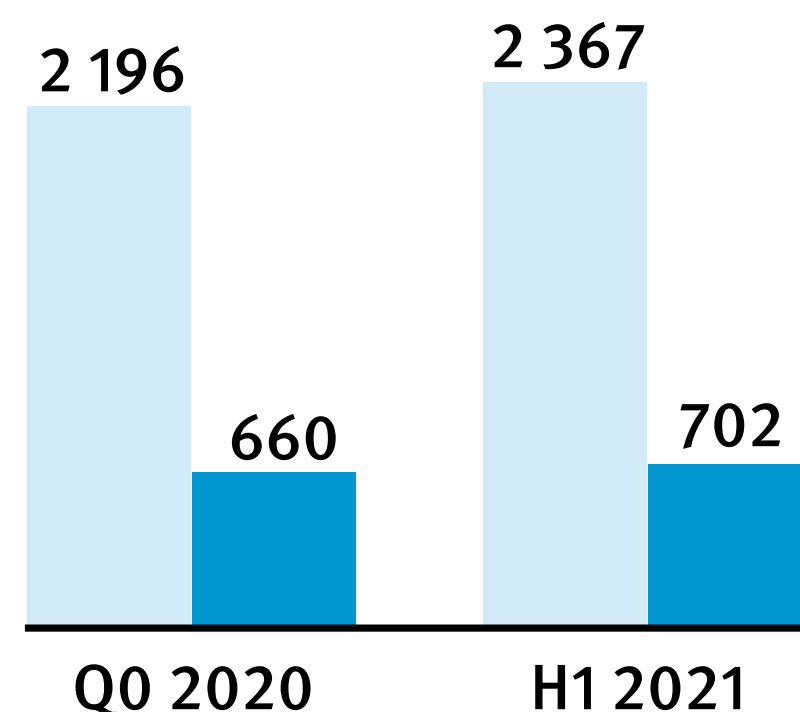


ELIGIBLE OWN FUNDS  
SCR

## MINIMUM CAPITAL REQUIREMENT (MCR) RATIO



## ELIGIBLE OWN FUNDS FOR MCR COVERAGE IN M€



ELIGIBLE OWN FUNDS  
MCR

The 3% decrease of the solvency ratio is explained by:

- +3.2% net impact of the interest rate increase, including the technical SCR and Risk margin recalculation
- +0.5% net impact of credit spread partly due to reinvestments in corporate bonds
- -3.2% net impact of equity exposure, explained by the rise of the symmetric adjustment, balanced by significant gains on equity position

The last two effects are consequences of the evolution of the strategic asset allocation towards more equity and alternative investments.

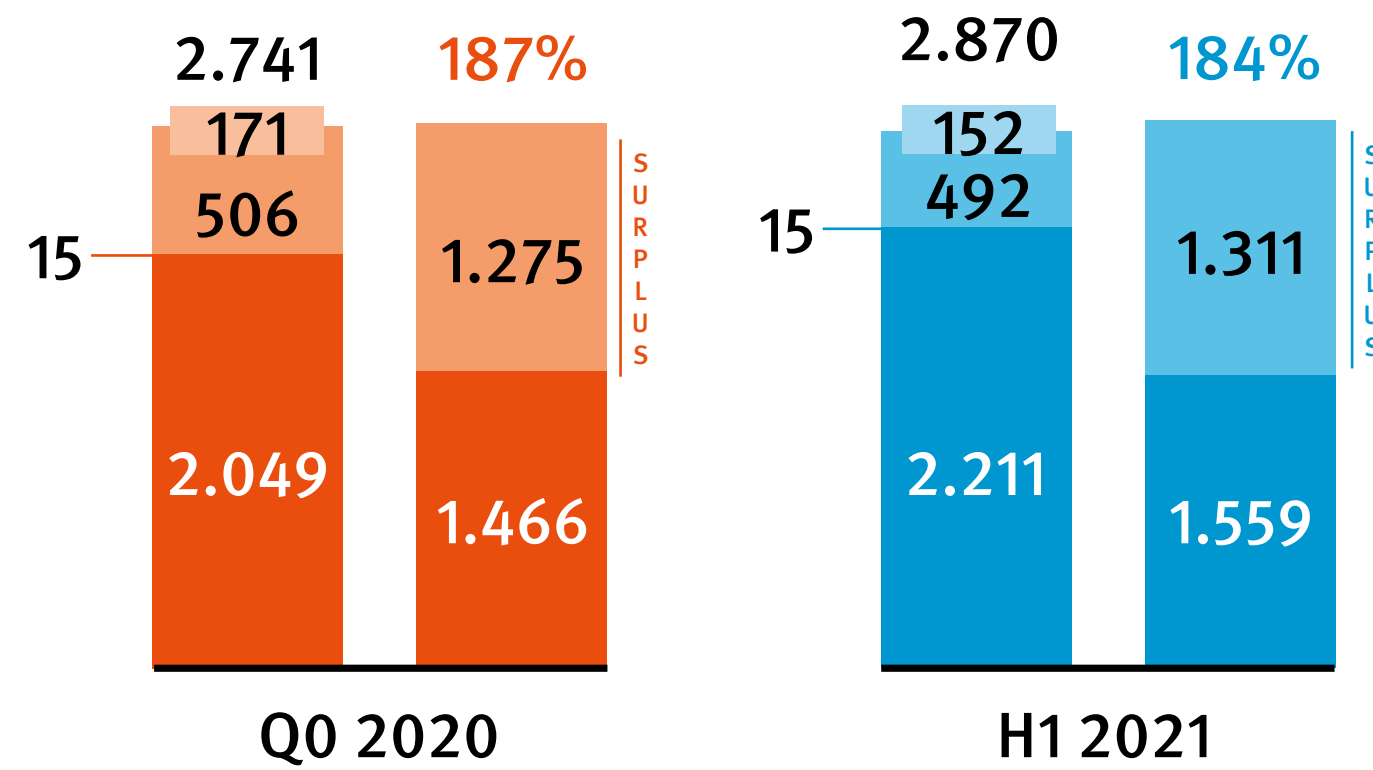
- -2.4% from inflation update including the positive effect on inflation-linked assets
- +2.6% net impact of exceptional effects including Covid on non life results
- -3.4% due to provisional dividend for the first half 2021



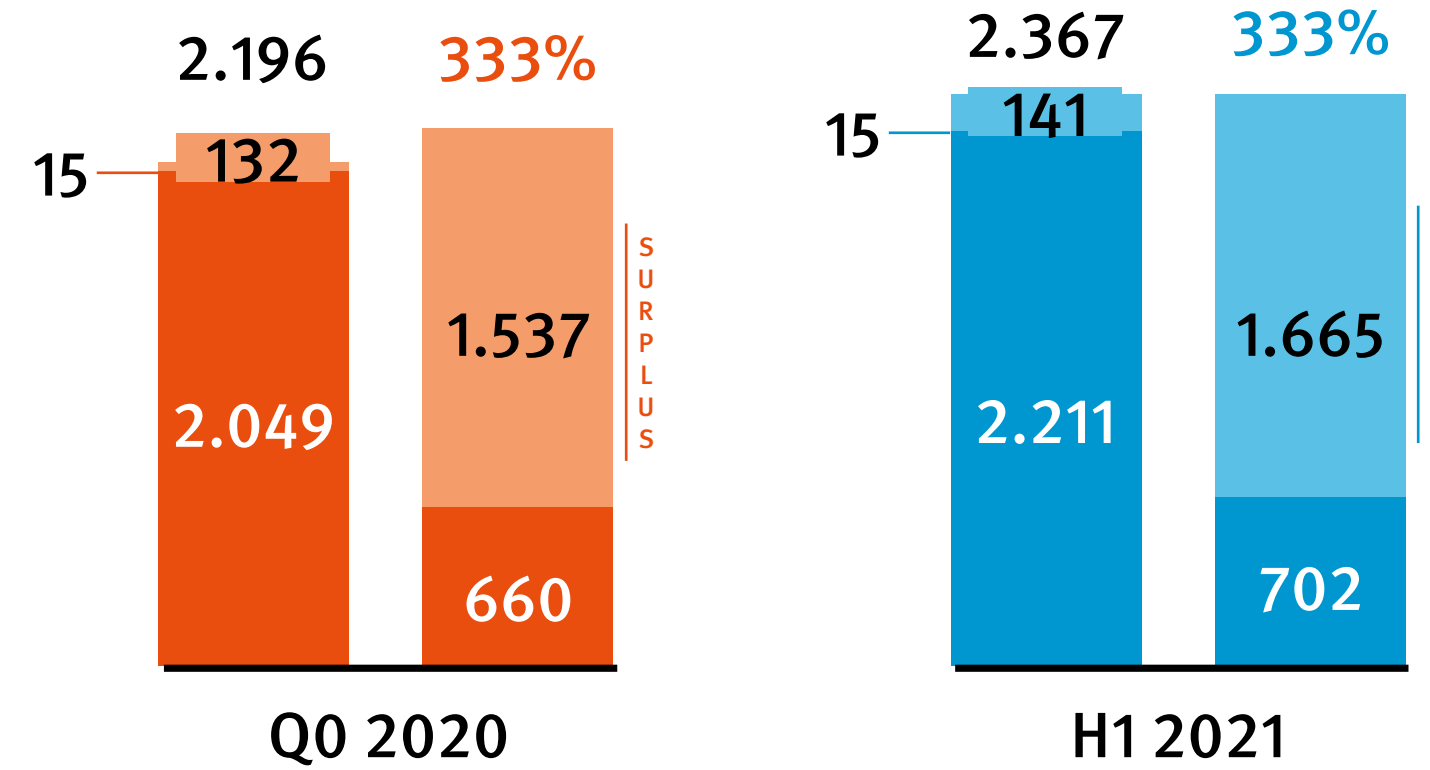
# BREAKDOWN OF ELIGIBLE OWN FUNDS

THE CAPITAL REQUIREMENTS ARE COVERED BY OWN FUNDS OF HIGH QUALITY

**TIERING OF OWN FUNDS FOR SCR COVERAGE (M€)**



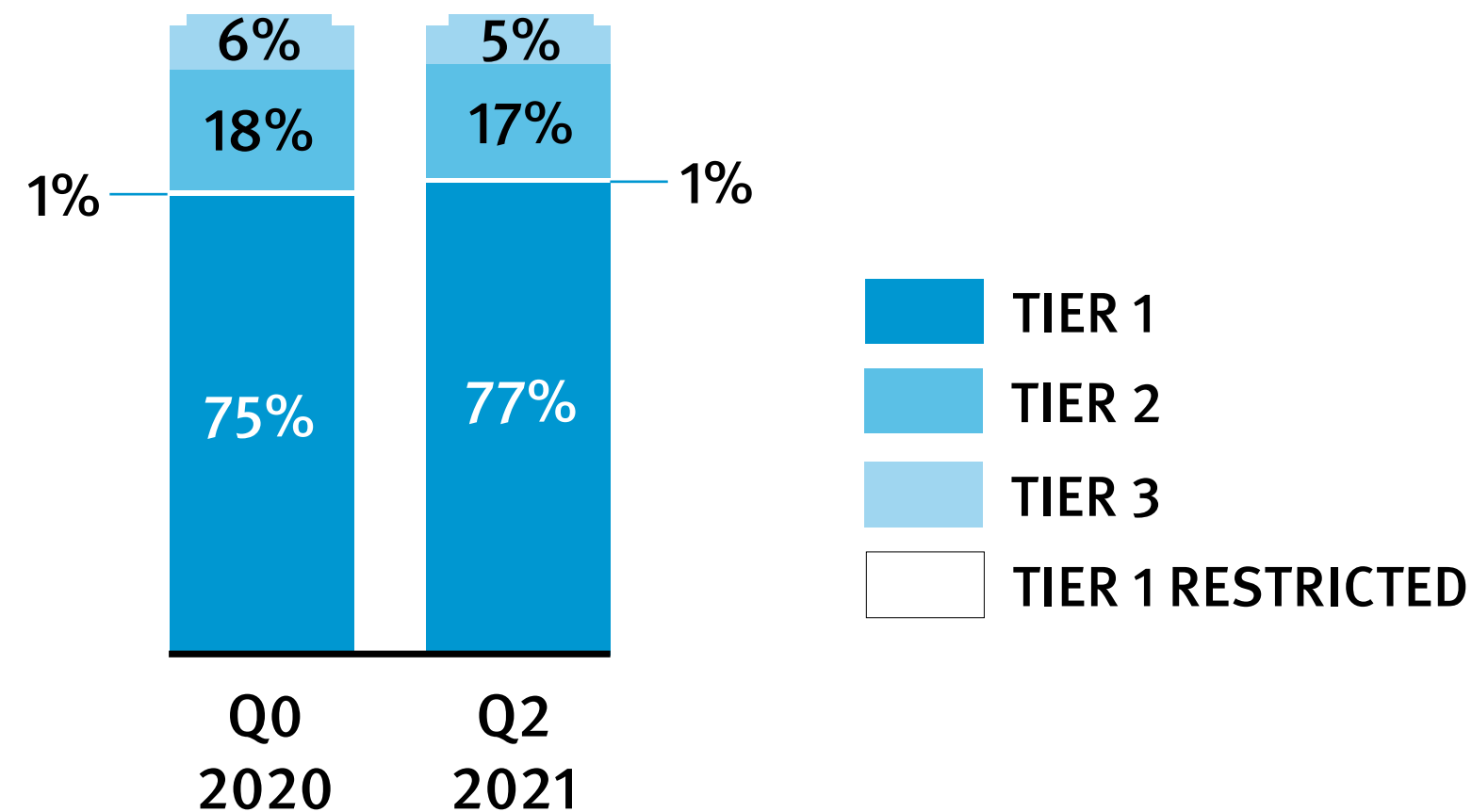
**TIERING OF OWN FUNDS FOR MCR COVERAGE (M€)**



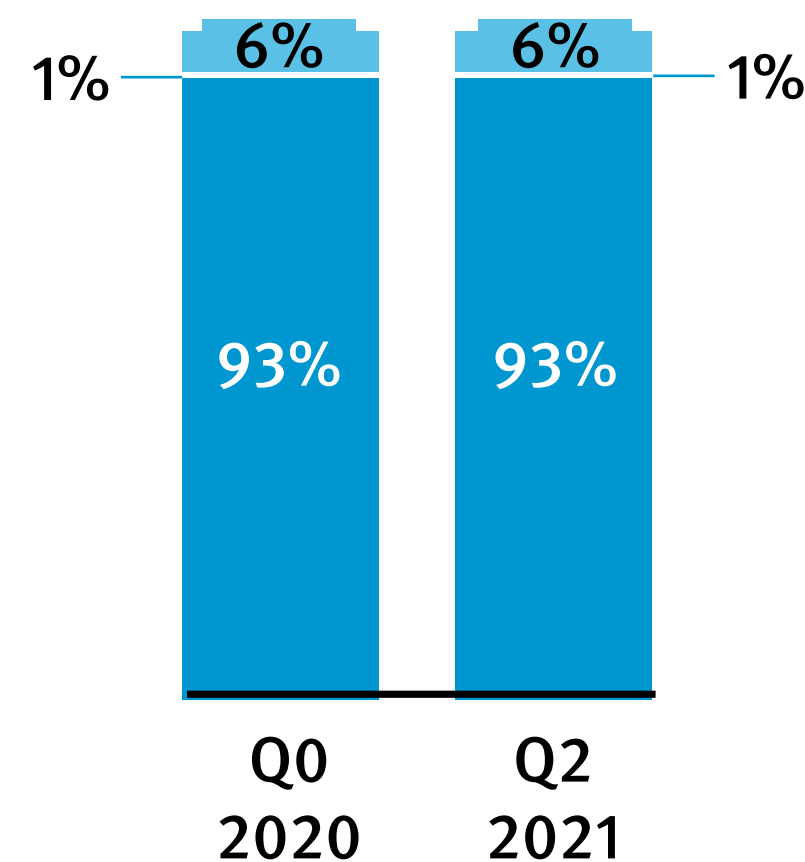
**Very high quality capital structure:**  
Unrestricted Tier 1 SCR coverage > 100%

- Restricted Tier 1 and Tier 2 are subordinated loans
- Tier 3 is composed of deferred tax assets
- SCR coverage: all available own funds are eligible
- MCR coverage: the eligibility limit is reached for Tier 2

**QUALITY OF SOLVENCY II CAPITAL SCR**



**QUALITY OF SOLVENCY II CAPITAL MCR**



**Strong capital structure with high percentage of Tier 1**

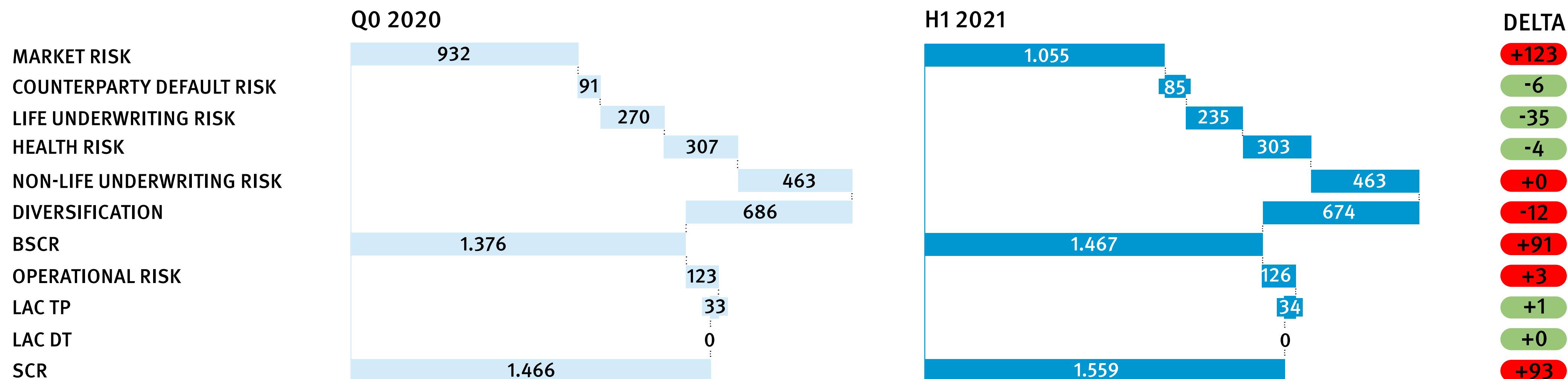
- SCR: Tier 1 represents 77% of own funds in June 2021 (75% in December 2020)
- MCR: Tier 1 represents 93% of own funds in June 2021 (93% in December 2020)





# BREAKDOWN OF SOLVENCY CAPITAL REQUIREMENT

THE SOLVENCY CAPITAL REQUIREMENT INCREASED BY 93 M€ BETWEEN DECEMBER 2020 AND JUNE 2021



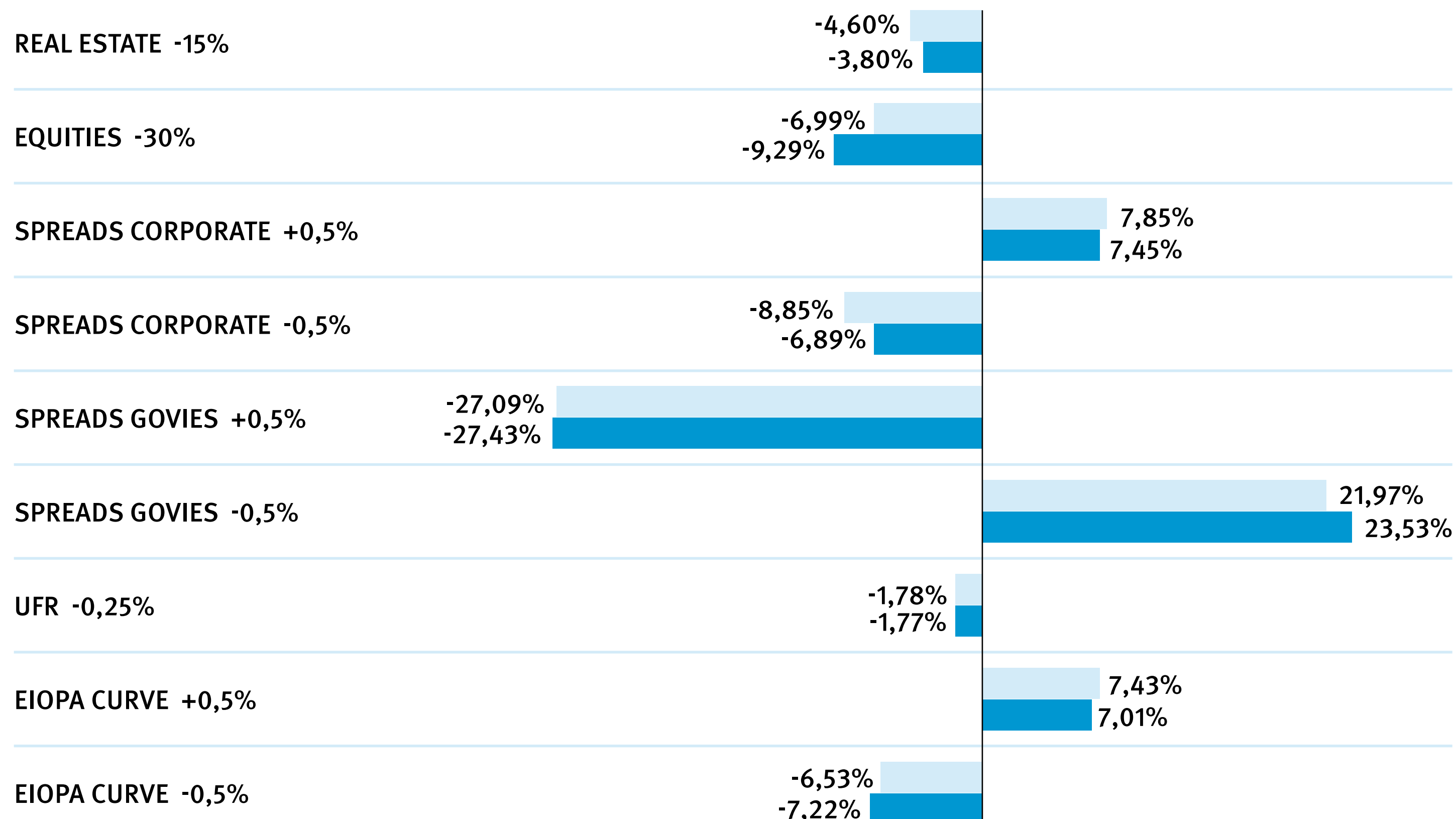
- **Increase in market risk** related to the increase of SCR equity (increase of the symmetric adjustment from -0.48% in Q0 2020 to 5.66% in H1 2021) and the increase in SCR spread.
- **Decrease in counterparty default risk** thanks to the decrease of cash positions.
- **Decrease in life underwriting risk** following the increase of interest rates.
- **Decrease in health risk** (mainly SCR health SLT) due to the increase of interest rates, but partly balanced by the increase of forecasted inflation.
- **The non-life underwriting risk remains stable** between December 2020 and June 2021.
- **The operational risk slightly increases** as a consequence of the higher Non-Life BE partly compensated by the decrease of the Life BE.
- **The gain of diversification is lower** following both the decrease of technical SCR and the increase of market SCR.
- **The loss absorbing capacity of technical provisions** slightly increases as a result of lower diversification effect on market SCR.
- **The loss absorbing capacity of deferred taxes is still null.**





# SOLVENCY SENSITIVITY TO MARKET FACTORS

## SOLVENCY II RATIO SENSITIVITY PER SCENARIO



■ DECEMBER 2019 ■ DECEMBER 2020

SENSITIVITIES BASED ON SOLVENCY II FIGURES AT END DECEMBER 2019 AND 2020

The solvency level is primarily sensitive to the evolution of credit spreads

- An increase in **govies spreads** has a negative impact on Ethias' solvency because of the large part of government bonds in the asset portfolio, partially mitigated by an increase in the volatility adjustment that reduces the best estimate of technical provisions,

The solvency ratio is also sensitive, to a lesser extent, to other factors

- **Equities:** the sensitivity of a downward shock is higher due to the recent evolution of the investment portfolio towards more equity, in order to compensate smaller returns on government bonds.
- A decline in **interest rates** affects negatively the solvency ratio. The downward sensitivity has slightly increased due to lower interest rates at the end 2020 (volume effect) and the maturity of interest-linked derivatives.
- **Real estate:** the impact of a downward shock is moderate given the relatively small exposure of this asset category in the investment portfolio
- **Ultimate forward rate (UFR):** the EIOPA will gradually lower the value of this technical parameter over time from 3,75% at end December 2020 to 3,5% with a maximum decrease of 0,15% per year. The impact is limited.
- On the contrary, higher **corporate spreads** lead to an improvement of the solvency thanks to the over-compensating effect of the volatility adjustment on the best estimate of technical provisions.



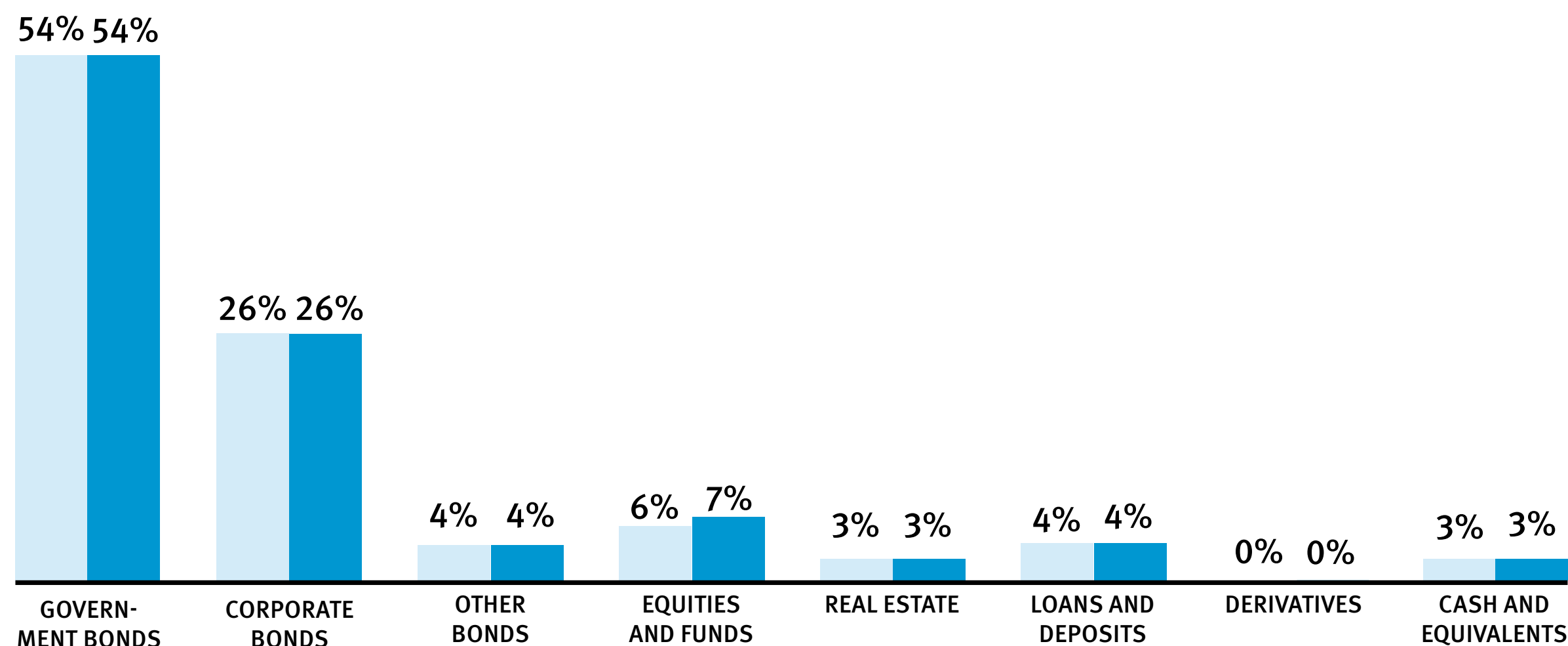
# INVESTMENT PORTFOLIO\* AND LIFE RESERVES\*

\* IFRS consolidated financial statements of Ethias SA

# INVESTMENT PORTFOLIO

## ASSET ALLOCATION

### INVESTMENT PORTFOLIO BY ASSET CLASS (EXCLUDING UNIT-LINKED)



31/12/2020 30/06/2021

### BOOK VALUE IN IFRS (EXCLUDING UNIT-LINKED)

Asset class (€M)	DEC-2020	JUN-2021
Government Bonds	9,960	9,758
Corporate Bonds	4,826	4,671
Other Bonds	719	757
Equities and funds	1,080	1,209
Real Estate	494	487
Loans and deposits	646	680
Derivatives	30	26
Cash and equivalents	532	468
<b>Total</b>	<b>18,287</b>	<b>18,056</b>

The main movement in the asset allocation is the increase in Equities and funds following reinvestments in alternative funds.

# INVESTMENT PORTFOLIO

## FIXED INCOME PORTFOLIO BY RATING

Market Value in M€	30 JUNE 2021						Total
	AAA	AA	A	BBB	≤ BB	No rating	
Bonds and similar securities	957	6.217	2.561	4.537	152	762	15.187
Loans and deposits	-	15	54	-	-	632	701
Receivables	-	-	-	-	-	520	520
Cash and cash equivalents	0	0	408	0	1	58	468
<b>Total</b>	<b>957</b>	<b>6.234</b>	<b>3.023</b>	<b>4.537</b>	<b>153</b>	<b>1.972</b>	<b>16.876</b>

Market Value in M€	31 DECEMBER 2020						Total
	AAA	AA	A	BBB	≤ BB	No rating	
Bonds and similar securities	817	6.444	2.722	4.638	174	711	15.506
Loans and deposits	-	15	68	-	-	587	669
Receivables	-	-	0	-	-	514	514
Cash and cash equivalents	0	0	490	-	0	42	532
<b>Total</b>	<b>817</b>	<b>6.459</b>	<b>3.280</b>	<b>4.638</b>	<b>175</b>	<b>1.852</b>	<b>17.220</b>

For “Bonds and similar securities”, very few downgrades and upgrades observed in 2021, evolutions are due to reinvestments (for instance in govies AAA) and variation of market values of investments.

# TECHNICAL PROVISIONS LIFE

IFRS FIGURES IN M€

in M€	Accounting reserves		Guaranteed rate	
	06/2021	06/2021	12/2020	12/2020
"First"-type products	462	2,21%	479	2,18%
Retirement savings	405	2,70%	410	2,73%
Other retail	201	2,99%	203	3,07%
<b>Retail Life</b>	<b>1.068</b>	<b>2,55%</b>	<b>1.092</b>	<b>2,55%</b>
Pillar 1	3.082	0,22%	3.109	0,39%
Pillar 2	4.078	2,25%	4.020	2,27%
Other Public&Corporate	61	1,74%	63	1,72%
<b>Public &amp; Corporate Life</b>	<b>7.222</b>	<b>1,38%</b>	<b>7.191</b>	<b>1,45%</b>
<b>Life branches 21 and 26</b>	<b>8.290</b>	<b>1,53%</b>	<b>8.283</b>	<b>1,60%</b>
UL - Retail	18	N/A	13	N/A
UL - Public&Corp	1.579	N/A	1.478	N/A
<b>Life branch 23</b>	<b>1.577</b>	<b>N/A</b>	<b>1.491</b>	<b>N/A</b>
<b>Total Life</b>	<b>9.866</b>	<b>N/A</b>	<b>9.775</b>	<b>N/A</b>

\* without IAS 19 and without any additional provision (longevity, flashing light,...)

**Life mathematical reserves increase slightly over 2021 (+0,94%), resulting from various movements.**

In guaranteed rate products:

- Retail life reserves decreased by 2,26%. On the one hand, existing reserves grow with the capitalization at the guaranteed rate, but on the other hand there is no new business in savings products, hence reserves are naturally decreasing over time.
- Life reserves in public and corporate (+0,43%) are lower in the first pillar and higher in the second pillar.
- The average guaranteed rate decreased from 1,60% to 1,53%.

In unit linked :

- Reserves in public and corporate increased by 5,75%

**RATING**

# RATING OVERVIEW

## LATEST RATING ACTIONS AND EXTRACTS FROM FITCH PRESS RELEASES



Insurer Financial Strength	A	Positive outlook
Long-Term Issuer Default Rating	A-	Positive outlook
Subordinated Debt Rating	BBB	

### 3 JUNE 2021 : FITCH UPGRADES ETHIAS' IFS FROM 'A-' TO 'A' AND REVIEWS THE OUTLOOK FROM STABLE TO POSITIVE

The upgrade reflects Fitch's view that Ethias has consolidated its **very strong capitalisation**, its **low leverage** and **strong operating performance** since it completed a multi-year action plan in 2018. The ratings actions also consider the **resilience** of these factors **during the coronavirus pandemic**. Ethias' ratings also reflect a **strong business profile**.

The Positive Outlook reflects Fitch's view that the group could achieve a combined ratio sustainably below 95%, while maintaining its very strong capitalisation and low leverage over the next 12 to 24 months.

Our assessment of capitalisation takes into consideration that **Ethias' Prism Factor-Based Model (FBM) score remained "Extremely Strong" at end-2020, well in excess of the 'A' benchmark.**

### 19 MAY 2020 : FITCH AFFIRMS ETHIAS AT IFS 'A-'; OUTLOOK STABLE

# APPENDIX



# CONSOLIDATED BALANCE SHEET

IFRS

## ETHIAS SA CONSO - BALANCE SHEET

in thousands of €

	12/2020	06/2021	Variation
<b>Assets</b>			
<b>Assets</b>	<b>301 459</b>	<b>267 451</b>	<b>-34 009</b>
Intangible assets	185 639	184 031	-1 608
Tangible assets	115 820	83 419	-32 401
<b>Financial Assets</b>	<b>19 269 242</b>	<b>19 191 243</b>	<b>-77 999</b>
Investment properties	490 742	486 715	-4 027
Financial assets	17 287 359	17 127 606	-159 754
Investments belonging to unit-linked insurance contracts	1 491 140	1 576 922	85 782
<b>Other Assets</b>	<b>1 269 730</b>	<b>1 259 738</b>	<b>-9 992</b>
Reinsurance assets	157 602	182 408	24 806
Deferred taxes	234	245	11
Trade and other receivables	513 648	520 086	6 438
Cash and Cash equivalent	531 744	468 272	-63 473
Assets available for sale	18 868	40 732	21 864
Other assets	47 633	47 994	361
<b>Total assets</b>	<b>20 840 431</b>	<b>20 718 431</b>	<b>-122 000</b>
<b>Liabilities</b>			
<b>Equity</b>	<b>3 073 731</b>	<b>3 038 256</b>	<b>-35 475</b>
Share capital	1 000 000	1 000 000	0
Reserves and retained earnings	1 405 161	1 413 683	8 522
Other items of comprehensive income	599 117	558 710	-40 407
Non-controlling interests	69 453	65 863	-3 590
<b>Liabilities</b>	<b>17 766 700</b>	<b>17 680 175</b>	<b>-86 525</b>
Insurance non-life contract liability	4 002 723	4 279 670	276 948
Insurance life contract liability	10 065 361	9 713 847	-351 514
Liabilities belonging to unit-linked insurance contracts	1 491 140	1 576 922	85 782
Profit sharing liabilities	39 666	2 902	-36 764
Financial debts	1 207 834	1 207 770	-64
Employee benefits	285 032	229 443	-55 589
Provisions	27 967	22 092	-5 875
Trade and Other payables	316 940	303 056	-13 883
Deferred taxes	87 295	70 217	-17 078
Other liabilities	242 742	274 256	31 514
<b>Total liabilities</b>	<b>20 840 431</b>	<b>20 718 431</b>	<b>-122 000</b>

# CONSOLIDATED INCOME STATEMENT

IFRS

42

ETHIAS SA CONSO - RESULTS		in thousands of €	
	06/2020	06/2021	Variations
Gross premiums	1 514 586	1 571 195	56 609
Premiums ceded to reinsurers	-33 034	-39 746	-6 713
Change in the provision for unearned premiums and current risks	-191 574	-191 180	394
Other income from insurance activities	2 616	2 714	98
Revenues from other activities	157 065	255 624	98 560
<b>Revenues</b>	<b>1 449 659</b>	<b>1 598 607</b>	<b>148 948</b>
Net revenues from investments	199 816	198 709	-1 107
Net realized gains or losses on investments	17 668	16 209	-1 459
Change in fair value of investments through profit and loss	-81 099	91 040	172 139
<b>Net financial income</b>	<b>136 385</b>	<b>305 958</b>	<b>169 573</b>
<b>NET REVENUES</b>	<b>1 586 044</b>	<b>1 904 565</b>	<b>318 521</b>
Insurance services expenses	1 094 138	1 304 334	210 196
Net expenses or revenues ceded to reinsurers	-8 326	-14 831	-6 505
Management costs	179 596	184 242	4 646
Expenses for other activities	148 209	250 548	102 339
<b>Operating expenses</b>	<b>1 413 618</b>	<b>1 724 293</b>	<b>310 675</b>
Change in depreciation and amortization on investments (net)	17 217	3 492	-13 725
Other investment financial expenses	6 821	7 203	382
Finance costs	14 521	13 726	-795
<b>Financial expenses</b>	<b>38 560</b>	<b>24 422</b>	<b>-14 138</b>
<b>NET EXPENSES</b>	<b>1 452 177</b>	<b>1 748 715</b>	<b>296 537</b>
<b>NET PROFIT (LOSS) BEFORE TAX</b>	<b>133 867</b>	<b>155 850</b>	<b>21 983</b>
Income taxes	-40 148	-35 021	5 127
<b>NET PROFIT (LOSS) AFTER TAX</b>	<b>93 719</b>	<b>120 829</b>	<b>27 111</b>
Share of the associates in the result	-230	202	432
Net profit (loss) from discontinued operations	0	0	0
<b>NET CONSOLIDATED INCOME</b>	<b>93 488</b>	<b>121 031</b>	<b>27 543</b>
Group's share	87 733	112 701	24 968
Non-controlling interests	5 755	8 330	2 575

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