CONSOLIDATED ANNUAL RAPPORT 2021

ethias

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Introductory word from the Chairs

Pandemic, floods, cyber attacks, storms, war... Shocks follow one another and tomorrow's reality will not be today's.
Our role as insurer of the public sector and of more than 1.2 million private individuals is to support and protect the population by offering innovative coverage solutions and services adapted to the new risks. As you will discover in this report, all lights are green for Ethias to accompany this transition and to face the future in a serene and responsible manner.

Thanks to its capacity for anticipation and resilience, Ethias closed the year 2021 with a satisfactory result, in line with its forecasts despite the complex context of 2021, while giving itself the means to solidly support its individual policyholders, the public sector, its partners and shareholders. Strategically as a Belgian player, Ethias has wanted to take the lead in the regional and federal initiatives of the four recovery plans on each occasion. It has helped the sectors most affected by the pandemic, it has ensured a remarkable and appreciated presence on site during the July floods and it has compensated, to date, more than 90% of the claims that have been expertised. This highly professional yet deeply human approach has earned Ethias a double recognition from the rating company Fitch[1] and the title of "Best Brand 2022".

- As at December 31, 2021, **the net result amounts to 189 million euros**.
- The **Non-Life** operating result amounts to 194 million euros.
- In **Life**, the operating results stands at 78 million euros.
- **Overall income** amounts to 2.77 billion euros, i.e. an increase of 47 million euros. This very good result exceeds forecasts and is attributable to both Life insurance and Non-Life activities.
- The **Solvency II ratio** stands at **178%**[2] after deducting the proposed dividend of 105 million euros. A good result considering the particularly difficult context of 2021 with the pandemic and the summer floods. It should be noted that the ratio is calculated according to a standard formula without using transitional measures for technical provisions.
- Subject to the approval of the General Assembly, a **dividend of 105 million euros** will be paid to our four shareholders (the Federal State, the Walloon Region, the Flemish Region and the cooperative society EthiasCo).

1 In June 2021, the agency Fitch upgraded the IFS rating (Insurer Financial Strength) of Ethias SA from "A-" to "A" and from "stable outlook" to "positive outlook". A double increase which demonstrates Ethias' financial strength, good profitability and robust business model. The insurer has consolidated its very strong capitalisation, its low financial debt ratio (leverage), its strong operating performance since the execution of its multi-year action plan in 2018 and its very good solvency level.
2 Annual solvency assessment at December 31, 2021.

Ethias believes that beyond economic performance, a company must integrate sustainability objectives into all its operations and activities. This commitment to society, which has been firmly anchored since the company's founding over 100 years ago, has been accelerated in 2021 with a new "Sustainability" strategy. This approach includes numerous initiatives in the three ESG areas: Environment, Social and Governance. We are also pleased to present to you our fifth non-financial report, which may be found in annex. It details what we undertake on a daily basis in each of these areas.

We are particularly proud of what we have achieved thanks to our unique business model, our values, the trust of our clients, the support of our shareholders, but also the unwavering commitment of the 4,300 employees within the group, whom we wish to praise for their courage and resilience during this truly exceptional period.

We wish you a pleasant reading and remain - together with all our staff - attentive to your needs.

PHILIPPE LALLEMAND

CHAIR OF THE EXECUTIVE COMMITTEE
CHIEF EXECUTIVE OFFICER

MYRIAM VAN VARENBERGH

CHAIR OF THE BOARD OF DIRECTORS

I INTRODUCTION

The Annual Report of the Ethias Group, hereafter "the Group", includes the management report, the consolidated financial statements prepared in accordance with the IFRS reference document (International Financial Reporting Standards) as adopted by the European Union as well as the financial statements of Ethias SA prepared in accordance with the legal and regulatory dispositions which are applicable in Belgium.

These consolidated financial statements were established by the Board of Directors of Ethias SA on 31 March 2022.Unless otherwise specified, the amounts in this report are stated in thousands of euros. The registered office of the company Ethias SA is situated in Belgium at the following address: rue des Croisiers 24 in 4000 Liège.

I.1 Presentation Ethias

I.1.1 A group with a mutual insurance philosophy

Just over **100 years** ago, on 25 September 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**.

A mutual insurance association is created by its members and operates for its members. While our legal form has evolved over time, we remain true to our values and our mission to simplify insurance by providing innovative products and services. We are proud of our 2,000 employees who represent the proximity partners our 1,200,000 clients can rely on. We want to keep this position for years to come.

I.1.2 Our values, our mission and our vision

#Human

Humanity is at the heart of all our relationships. We are a true partner for each of our interlocutors.

For us, proximity and solidarity are no empty words.

#Commitment

For nearly 100 years, we are daily committed to our clients, to our colleagues and to society. We are reliable, trustworthy and purposeful. This commitment also relates to ethics, which remains at the root of all our actions, and to our social responsibility.

#ClientSatisfaction

This is the driving force of our activities and all our actions. Through our mutualist origins, we emphasize on client contact possibilities and on exemplary service quality. Our accessibility, our efficiency, our flexibility clearly contribute to the satisfaction of our clients.

#Enthusiasm

Because whatever happens, a heart beats within Ethias. Every day, we show energy, vitality, optimism and dynamism. This enthusiasm leads us to be creative and to undertake innovative projects in support of clients.

Our **values** are the foundation of our identity, our culture and our personality. In a nutshell, they constitute the DNA of Ethias.

Our values are expressed in daily life (when welcoming our clients, settling a claim, providing advice on prevention, etc.). They are also materialized when implementing our dynamic policy of corporate social responsibility (CSR), listening to the concerns of our policyholders, private individuals as well as public bodies.

Our **mission** is our raison d'être. In a clear and concise way, it presents what we do and how we stand out. It gives meaning to all our actions and makes us work together in the same direction. Our mission is as follows:

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 for the future revolves around 3 pillars, viz. digital, direct and reinforced partnership with public authorities, linked to a constant drive for innovation at the client's service.

The company has embarked on an ambitious plan for technological and organizational transformation.

For more info: https://www.ethias.be/corporate/fr.html

I.1.3 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 travel cancellation insurance;
- In Life, Ethias mainly sells life insurance policies with no Life component and branch 23 contracts.

We continue the work to make insurance easier and accessible to all, with the strengthening of our position as a direct insurer while maintaining profitable growth in Belgium.

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

Public & Corporate 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, public social welfare centres ...), public companies as well as thousands of inter-community and semi-public bodies, schools, hospitals, public interest organizations and miscellaneous associations ...

Our ambition is to extend our position as a multi-product and service insurer in the form of a partnership with public authorities, where all risks incurred by staff are covered by Ethias: civil liability, health care, work or sports accidents, motoring, assistance ... Ethias also covers damage to or possible destruction of equipment, buildings and installations.

Furthermore, we have the ambition to be an all-round player in first and second pension pillar management.

But being an insurer today is not simply covering a series of financial risks, it is also about adopting a comprehensive prevention risk policy. Ethias has been pursuing a proactive and dynamic prevention policy for several years through all its products and services or through innovative initiatives.

Companies

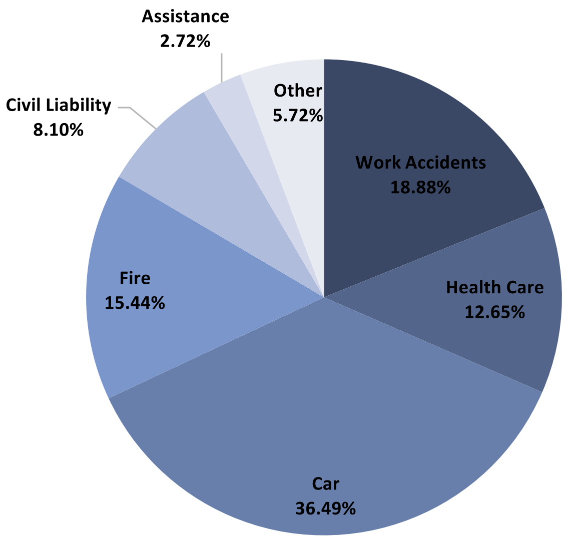
Since 2000, Ethias has also been accessible to private businesses, offering them its skills and expertise acquired in the public sector and non-profit sector. For allowing these businesses to take a lead in risk management, Ethias offers them a range of insurances responding to their specific needs and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

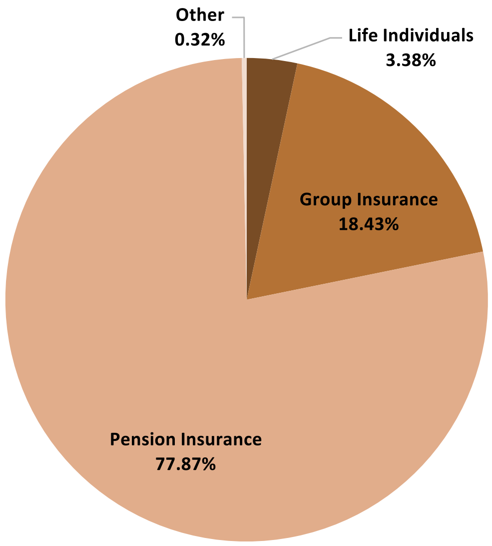
I.1.4 Partition of premium income 2021 for Ethias SA

The premium income stands at 2.8 billion euros by end-2021 and is relatively balanced between Life and Non-Life activities. It is split per product as follows:

Premium Collection Non-Life: 1.4 billion €



Premium Collection Life: 1.4 billion €



The majority of Ethias' activities are focused on the Belgian market. Ethias is the country's 3rd largest insurer in Non-Life, with a 10.2% market share, and in Life, with a 8.7% market share[1], and is the country's premier insurer of the public sector and its agents.

I.1.5 Our phygital model

Ethias is the only major direct insurer in Belgium. Halfway between digital and human contact, Ethias offers the best of both worlds with a *phygital* approach to ensure a unique, simple, efficient and human experience.

Clients choose the channel that suits them best to contact us:

- 37 offices covering the whole of Belgium with the possibility of making an appointment
- 2 Customers Centers
- 2 "Claims" services
- 76 sales representatives serving public authorities, the private sector and partner brokers
- 4 websites
- 2 "client zones"
- 1 live chat
- 1 video chat (possibility to make an appointment by video-conference with one of our client consultants)
- 1 virtual assistant, called "Mathias"
- 1 mobile application for claims reporting
- 6 social networks

With the new "Flora by Ethias" insurance for co-housers, 13 insurance products can be fully taken out online, including payment

1 Based on Assuralia data 31/12/2020.

I.2 Key figures

I.2.1 Essential data of the consolidated income statement

In thousands of euros	31 December 2021	31 December 2020	Change during the year
Non-Life	**1,404,328**	**1,382,016**	**1.61%**
Public bodies and Companies	808,583	792,510	2.03%
Private Individuals	595,745	589,507	1.06%
Life	**1,362,541**	**1,338,171**	**1.82%**
Public bodies and Companies	1,316,126	1,296,296	1.53%
Private Individuals	46,415	41,874	10.84%
Total premium collection Life and Non-Life	**2,766,869**	**2,720,187**	**1.72%**
Net profit (loss) on current transactions after tax	209,592	223,994	-6.43%
Share of the associated companies in the result	(430)	(769)	-44.12%
Net profit (loss) after tax of the available-for-sale companies and of the discontinued operations	-	-	0.00%
Net consolidated income	**209,162**	**223,225**	**-6.30%**
Group's share	188,970	207,672	-9.01%
Non-controlling interests	20,192	15,553	29.83%

I.2.2 Essential data of the consolidated financial position

In thousands of euros	31 December 2021	31 December 2020	Change during the year
Total assets	21,186,346	20,840,431	1.66%
Equity of the Group	3,009,552	3,004,278	0.18%
Non-controlling interests	73,950	69,453	6.48%

I.2.3 Regulatory coefficients

	31 December 2021	31 December 2020	Change during the year
Solvency ratio of the company Ethias SA	178%	187%	-9%

The Solvency II margin at end-December 2021, established according to the standard formula, stands at 178% and takes into account a dividend of 105 million euros which will be proposed to the General Assembly. At end-2020, the Solvency II margin stood at 187% and took into account the dividend of 103 million euros.

I.2.4 Other key figures

	31 December 2021	31 December 2020	Change during the year
Number of employees	**4,342**	**4,142**	**4.83%**
Ethias SA	1,976	1,923	2.76%
NRB Group	2,270	2,137	6.22%
IMA Benelux	96	82	17.07%

II REPORT OF THE BOARD OF DIRECTORS

II.1 Key facts of 2021

II.1.1 Market conditions in 2021

2021 was the year of the rebound of the economy, the financial markets and inflation. Many indicators have moved closer to their "pre-COVID" level: GDP of developed economies, unemployment rates, stock market indices, credit spreads and commodities. Financial markets were buoyed by the success of the vaccination campaigns (mitigating the effects of the pandemic), the economic recovery and growth in corporate earnings. Thanks to the measures and aid deployed by the different states and governments, the impact of the health crisis has finally remained acceptable in most economic sectors.

The combined effects of the economy's reopening (creating tensions in supply chains), commodity price increases, budgetary stimuli and wage increases (especially in the United States) have caused a sharp rise in inflation. This increase in inflation was considered transitory in Europe and more structural in the United States so that the accommodative policy of 2021 by central banks was questioned. In particular, the central banks of England, Brazil and Mexico have initiated an increase in their key rates.

In the second half of the year, China saw its economic growth slowing. It is one of the only countries to have adopted a "zero-COVID" strategy (systematic regional lockdowns) and has had to deal with the financial difficulties of a large real estate company (Evergrande). The real estate sector represents a significant part of the Chinese economy and the risk of contagion to other sectors is not neutral. In November, the arrival of the Omicron variant, considered contagious but less severe than COVID-19, did not worry the markets for long.

Against this backdrop of economic recovery, government bond rates experienced volatility but ended the year 2021 with a consistent rise across the curve. As an example, the Belgian 10-year bond rate ended the year at 0.19% compared to -0.39% at 31/12/2020.

Economic growth, against a backdrop of accommodating monetary policies by the FED and the ECB, was favourable to equity indices: EuroStoxx50 (+20.99%), S&P500 (+26.89%), CAC40 (+28.85%), DAX (+15.789%), BEL20 (+19.02%), FTSE MIB (+23%), NASDAQ (+21.39%).

More specifically, cyclical sectors performed best: technology (+37%), banking (+36%), media (+30%), construction (+26%), automotive (+25%), luxury goods (+24%), and chemicals (+20%). Defensive sectors lagged: real estate (+1.26%), utilities (+3.56%), distribution (+4.38%). The only sector that performed negatively was the leisure sector (-9.28%).

II.1.2 The COVID-19 pandemic

In 2021, Ethias has pursued its four-phase strategy that was adopted at the beginning of the health crisis, namely the protection of its employees, its clients, the company and society at large.

With regard to employee protection, Ethias has continued to take care of the well-being of its employees by implementing various initiatives (psychological support, finding solutions for relatives affected by illness or worries about childcare during school closures, continuous and interactive communication...).

Ethias has also continued to take initiatives in favour of its B2C and B2B clients. In addition to extending coverages and granting payment delays, Ethias has also provided free Civil Liability and Bodily Injury insurance for all vaccination centres and has offered psychological support services to students, self-employed and small businesses insured with Ethias.

With regard to the protection of society, Ethias is involved in projects related to the economic recovery at both federal and regional levels and has been able to concretize its participation through the following initiatives:

- granting a loan to SRIW;
- participating as an expert in sessions related to the organization of project financing at the federal level;
- participating in the capital increase of Finance&Invest.Brussels;
- participating in a private placement for the German-speaking region;
- an investment of 80 million euros for the 4 public funds constituted by the Walloon Region, the Flemish Region, the Federal State and the Brussels-Capital Region. It should be noted that Ethias is the largest private contributor to these stimulus funds.

It is with the same mindset that Ethias has decided for 2022, beyond the extension of the free insurance for vaccination centers in Civil/Professional Liability and in Bodily Injury, on a number of additional measures to help the sectors most affected by the 4th and 5th waves:

- Education sector: a significant budget has been set aside to provide prevention kits to schools, as Ethias did in 2021 for the culture and sports sectors;
- Culture sector: granting of a 25% reduction on the fire insurance premium of the B2B policyholders concerned.
- Sports sector: granting of a 10% reduction on the sports insurance taken out by the Federations.

Ethias' investment in these various projects is important in terms of its values and the meaning it intends to give to its societal role. More than a mere investment in the financial sense, it is a willingness to take responsibility for meeting the needs of society, a principle rooted in the company's DNA.

II.1.3 Flooding

In the face of the disaster that shook many regions in July 2021, Ethias was keen to respond to the needs of its policyholders in distress. Hence, Ethias has:

- Directly provided an advance of 1,500 euros upon opening a claims file;
- Set up "mobile crisis centers" in charge of criss-crossing the most affected cities in order to go directly to the victims and proceed with the first administrative formalities;
- Offered numerous meals in several disaster-stricken cities as well as financial aid to the Red Cross;
- Strengthened its Claims Management Teams to speed up the processing of claims files and compensate policyholders as quickly as possible. As of January 19, 2022, nearly 90% of the B2C expertises have been closed.

Given the extent of the damage, the insurers and the Regions got together and signed an intervention protocol to share the burden. This protocol stipulates that once the claims payments exceed the insurer's double intervention limit, a "loan" is recognized as financial asset item per Region. This contains the claims payments attributable to the governments, i.e. the claims amounts paid beyond the insurer's double intervention limit without any counterpart in technical accounting. An estimate of the amounts borne by the governments that the insurer will have to pay after December 31, 2021 is recorded off-balance sheet.

II.1.4 Dividend distribution

At the General Assembly of Ethias SA held in May 2021, it was decided to distribute a dividend of 103 million euros to the shareholders.

II.1.5 An Executive Committee in line with its ambitions

In December 2021, the Executive Committee was strengthened and now includes new skills and new members. The Executive Committee saw the departure of two of its members. Benoît Verwilghen, Vice-CEO, has taken over the management of EthiasCo, and Cécile Flandre, having fully accomplished her mission as CFO, is now taking on other challenges outside the group. Following their departure, Wilfried Neven has become the new Vice-CEO and now assumes the key role of Chief Customer Experience Officer. He is in charge of the commercial development for all markets.

Nicolas Dumazy, Chief Strategy & Data Officer, is entrusted with developing the strategy of the Ethias Group as well as innovation and data. As his mission also includes corporate social responsibility, he strives to strengthen the ESG (Environmental, Social & Governance) aspects at all levels of the Group.

To accelerate the digital transformation, Izabella Molnar has been appointed as Chief Digital Transformation Officer. She leads the IT division and continues the transformation and digitization of the company.

As Chief Claims & Delight Officer, Luc Kranzen is now entrusted with the development of customer delight in all the Claims departments.

The Executive Committee is also being strengthened in terms of optimizing management control, expenses and budgets with the arrival of Maryline Serafin as Chief Financial Officer.

Asset management is handled by Joris Laenen, who is also responsible for the development of the Life business as Chief Investment & Life Officer.

The function of Chief Risk Officer remains with Benoît-Laurent Yerna.

II.1.6 Increase in Fitch rating

In June 2021, the agency Fitch upgraded the IFS rating of Ethias SA from "A-, stable outlook" to "A, positive outlook".

This double increase demonstrates Ethias' financial strength, good profitability and robust business model. Through the upgrade of the insurer's rating, Fitch underlines that Ethias has consolidated its very strong capitalization, its low financial debt ratio (leverage), its strong operating performance since the execution of its multi-year action plan as from 2018 and its very good solvency level. The ratings actions also consider the resilience of these factors during the COVID-19 pandemic.

The positive outlook reflects Fitch's view that the Ethias Group could achieve a combined ratio sustainably below 95%, while maintaining its very strong capitalisation and low financial debt ratio (leverage) over the next 12 to 24 months.

II.1.7 Conclusion of several partnerships

Ethias continues to strengthen its digital strategy with the conclusion of two new partnerships with online comparison platforms, "Voilà" and "Test-Aankoop-Verzekeringen.be", for the Auto product.

Furthermore, in order to meet a societal need, Ethias has entered into a partnership with DELA, the funeral care services specialist. Since October 2021, Ethias has been distributing the "Dela Funeral Provision Plan", a Life insurance policy from branch 21.

II.1.8 Group strategy

Ethias continues to implement its group strategy, which consists of further capitalising on the strengths and specificities of its subsidiaries (NRB, IMA Benelux, Ethias Services, etc.) in order to position the Ethias Group as a value generator group for all its stakeholders.

This strategy is based, on the one hand, on strengthening the dynamics of the Group's entities and, on the other hand, on a "beyond insurance" approach, i.e. evolving from an insurer's strategy towards a strategy of integrated services for the benefit of clients.

Within this context, Ethias Services SA (a 99.9% owned subsidiary of Ethias SA) has developed and marketed a series of new services (skills & psychosocial risk management, risk management, fire risk management, etc.), mainly for B2B customers as a first step. New services will be added as and when market needs are identified. In addition, digital acceleration, another pillar of Ethias' group strategy, is strongly supported by NRB (a 68.39% owned subsidiary), which is working on the development of numerous functionalities in favour of B2C and B2B clients (online opening and follow-up of claims, e-invoicing, e-documents, etc.). A second 100% digital insurance product is also being marketed: the co-housing insurance through Flora, Ethias' insurtech.

II.1.9 Best Brand Awards 2021

The Best Brands Awards 2021 were presented in April. Ethias came out on top in terms of "Share of Soul", i.e. the insurance brand recognized for creating the strongest emotional and affective bond. This recognition reflects the human relationship that Ethias builds every day with and for its policyholders, which is more essential than ever in the current context. In terms of "Share of Market", Ethias is ranked third, just behind AG Insurance and KBC.

II.1.10 EcoVadis

EcoVadis, one of the leading CSR rating agencies, conducted a non-financial audit of Ethias, i.e. an assessment of the way Ethias integrates ESG elements (Environmental, Social and Governance criteria) into its operations. The scorecard is based on 4 dimensions: environment, social & human rights, ethics and responsible purchasing. With a score of 57, Ethias was awarded the silver medal, recording an 18% increase over last year and ranking in the top 25% of companies, above the sector average on all four dimensions.

II.1.11 DECAVI

For the third time, Ethias was recognized for its numerous solidarity initiatives related to the pandemic and for the second time for its societal commitment. DECAVI thus underlines the relevance of its commitments, its willingness to place the Human Being at the center of its concerns, but also its unique business model, as the 1st direct insurer standing alongside its private and public customers.

Furthermore, the quality of its products and services was once again rewarded as Ethias won **5 DEVACI Trophies** in Non-Life insurance in the following areas:

- Tenant Insurance;
- Family Insurance;
- Workers' Compensation Insurance;
- Innovation - Ethias Mobility & More;
- Prevention.

II.1.12 Youth Solidarity Awards

To fight poverty among young people, Ethias launched the **Youth Solidarity Awards** at end-2021. Through this action, Ethias encourages the Public Social Welfare Centers to introduce a project aimed at helping young people in precarious situations. No less than 130 projects were sent in by the end of January 2022! Eighteen projects will be selected by a professional jury and rewarded in the spring of 2022 with a 450,000 euros grant from Ethias. This action, co-created with the Public Social Welfare Centers, aims to strengthen Ethias' societal role, in line with our ESG ambitions.

II.1.13 Obtaining the "Top Employer Belgium" certification

Ethias has obtained, for the first time, the "Top Employer Belgium 2022" certification. This title recognizes the company's policy towards its employees and its HR practices. It particularly focusses on the company's initiatives in the areas of Well-Being, Work Environment, Organization & Change and Digitalization.

II.1.14 Publication of our 4rd CSR Report, testimony to Ethias' long-standing involvement in Corporate Social Responsibility

Ethias has published its 4th non-financial report since the transposition of the European Directive 2014/95/EU into Belgian law. This report shows the extent of Ethias' commitment to Belgian society and presents the annual overview of its actions within the framework of Corporate Social Responsibility (CSR) in three areas: People, Profitability and Planet. In addition, there is an extensive chapter on its sustainable investment strategy and governance.

Ethias' approach is anchored in global concerns and its action plan focuses on 4 of the 17 SDG's developed by the United Nations: **poverty, health, climate and sustainable cities & communities** (SDG 1, 3, 11 & 13).

II.2 Result of the financial year

The year 2021 records a **consolidated profit** (Group's share) of 189 million euros, a decrease of 9% compared to the 2020 result. This evolution is explained by the deterioration of Non-Life business, offset by a good performance of Life business and the NRB group.

Total income amounts to 2,767 million euros, i.e. an increase by 1.7% compared to the 2020 income, resulting from a 1.6% increase in Non-Life income and a 1.8% increase in Life income. The operating combined ratio is 92%.

The **result of Non-Life business** amounts to 95 million euros and is strongly impacted by the floods. This impact has been mitigated by good financial results and the absence of a major storm in 2021.

The **result of Life business** amounts to 111 million euros. The good performance of the Life business in 2021 is explained in particular by the growth in operating results (mortality gains) and non-recurring financial income. These good results made it possible to endow the provision for profit-sharing (net of taxes) with 42 million euros, mainly for ring-fenced funds from the 1st pillar.

The **result of the other activities** amounts to 13 million euros, including -28 million euros from Ethias SA and 41 million euros from the NRB group.

Tax expenses for the financial year amount to 30 million euros.

Point 7 of Chapter ***IV. General information*** contains more information on the result of the financial year.

II.3 Assessment of Internal Control

The preparation of the report on the assessment of the internal control system is in conformity with the NBB circular 2015_21 on internal control as well as with the COSO 2013 standards.

In terms of control environment, Ethias:

- pays attention to the respect of the integrity and the ethical values it enshrines;
- aims at reaching its objectives through a clear definition of its organizational structure and of the appropriate competences and responsibilities;
- shows its commitment to attract, train and hold competent co-workers in accordance with the objectives of its multi-year plan;
- reinforces for each of its employees the duty to give account of his internal control responsibilities.

In terms of risk assessment, Ethias:

- ensures a clear definition of the objectives assuring the identification and assessment of risks linked to its objectives;
- 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;
- integrates the internal and external fraud risk in the assessment of risks that can compromise the achievement of its objectives;
- 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;
- 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;
- communicates with third parties on the points that may affect the functioning of other components of the internal control (shareholders, analysts, regulators, clients, suppliers, associations, etc.).

In terms of steering, Ethias:

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

The internal control system is constantly evolving and has been strengthened by the recruitment of specific skills and the creation of an internal control department. In 2021, an internal control policy was developed.

II.4 Risk Governance

II.4.1 Introduction

Besides its business activity of managing the risks underwritten by its clients, an insurance company, like any company, is itself confronted with various categories of risks. In such circumstances, it is a matter of managing the uncertainty as satisfactorily as possible, by identifying, assessing and effectively dealing with the risks the company is confronted with, in order to control them. The purpose is to strike the best possible balance between the objectives and the associated risks, with an excessive risk aversion itself posing a risk, and keeping in mind that, alongside each threat, opportunities do exist.

Therefore, the general risk management process aims at "offering a reasonable security with regard to achieving the objectives of the organization by maintaining the risk exposure within the limits of risk appetite".

As a result, Ethias has adopted a coherent approach of risk management with regard to all material risks it is confronted with and which is rendered in the individual risk management policies.

II.4.2 Governance with regard to risk management

Good governance of an insurance company requires the setting-up of the following functions: Internal Audit, Compliance, Risk Management, Internal Control and Actuarial Function. These are not only independent monitoring functions but also governance functions. Their conclusions and advices are translated into measures to reinforce the management structure, the organization and the internal control system. 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 operational lines and support functions (Accounting, Asset Management, IT, Human Resources, etc.). It is their responsibility to identify the risks posed by each operation and to respect the procedures and limits set.

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

Furthermore, a network of "risk" correspondents within the operational lines and the support functions permits to benefit from the technical skills of the experts in the field, including complaints, operational incidents and GDPR.

Second defence line - Risk supervision

The second defence line includes the control functions of the Risk Management function, the Internal Control function, the Actuarial Function and the Compliance function, which are responsible for ensuring that the risks have been identified and managed by the first line, according to the rules and procedures envisaged.

These four functions depend on the CRO, who ensures the transversal coordination of the work and the adequate exchange of relevant information.

The CRO, who is a member of the Executive Committee, has to make sure that the structure of Ethias' risk management is operational and has to improve its effectiveness and efficiency. The entities that are hierarchically answerable to the CRO assist him in his assessment 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 second 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 can intervene at the operational level to initiate changes and to help the first defence line in resolving the problems.

Finally, in order to reinforce risk governance, Ethias' Executive Committee relies on committees dedicated to risk management: These committees are advisory and their recommendations are validated by the Executive Committee.

The role of the **Model Coordination Committee (MCC)** is to monitor and contribute to the compliance, within the risk framework defined by the Board of Directors, of all internal and regulatory standards for the development and use of internal quantitative models used by Ethias for, in particular, the management of its technical and financial risks and its asset / liability management.

The mission of the **Insurance-Reinsurance Committee (IRC)** - in terms of insurance techniques, insurance contract management and reinsurance coverage - is to ensure that the business lines comply with the technical and commercial objectives and with the risk framework defined by Ethias' Executive Committee and Board of Directors. Hence, the IRC monitors the technical risks (profitability, reservation, 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 programme. Efficient collaboration between the 1st and 2nd lines is to be highlighted, especially on files regarding underwriting (review of underwriting guides, Non-Life commercial strategy, monitoring of UFRs/CFRs, commercial dispensations, review of underwriting policies, provisioning and pricing, S/P balance, POG, risk appetite, etc.)

The **Assets and Liabilities Committee (ALCO)** has the task of contributing to the protection of Ethias SA in its liquidity, profitability and solvency aspects, through the alignment of the company's assets and liabilities.

The **Risk Management Forum (RMF**) is responsible for discussing risks, which are presented to the Audit and Risk Committee (and beforehand to the Executive Committee) in detail, so as to have a specific view of all the risks borne by the company. It is the forum for analysis of specific risks highlighted in the context of projects or activities in order to identify priorities, relevant mitigation measures and action plans as well as their target risk and to monitor their evolution in accordance with the Risk Appetite policy. It ensures:

- an efficient and transparent reporting of risks;
- the selection of the most important risks;
- the definition of action plans;
- The monitoring of already identified risks, especially in case of modification (deterioration) of these risks;
- to propose to the management bodies practical and pragmatic business guidelines in accordance with the risk appetite;
- to recommend to the Executive Committee the validation of the company's risk profile.

This body does not replace the Local Risk Forums, which are organized at the operational level and which enable action plans to be drawn up at team level.

Each committee is chaired by a member of the Executive Committee. The CRO is present in each committee dedicated to risk management. It was the willingness of the Executive Committee and of the Board of Directors to create "strong committees", so as to set up an effective risk governance within the company. It is also with this aim in view that the responsibilities of each committee have been clearly established by means of internal regulations.

Third defence line - Independent assessment

The third defence line is provided by the Internal Audit, which assesses, among other things, compliance with procedures by the first and second lines of defence and, more generally, the effectiveness of the internal control system. To ensure its independence, this entity reports hierarchically to the CEO directly and functionally to the Audit and Risk Committee.

With regard to risk management, the Board of Directors of Ethias SA assumes ultimate responsibility for the effectiveness of the risk management system. To carry out its missions, it relies on the Audit and Risk Committee. The Audit and Risk Committee advises the Board of Directors on Risk Appetite and risk tolerance issues, analyses risk reporting, challenges the implementation of the risk management system by the Executive Committee, and verifies its proper application.

II.4.3 Typology of risks

Ethias has drawn up a cartography of the different risks in order to ensure a common and shared comprehension of the risks managed by the company.

The typology adopted by Ethias is presented in the diagrams below and

- relies on the modules of the standard formula used to calculate regulatory capital requirements in the Solvency II framework (in blue in the diagram)
- is completed by the risks not covered by the standard formula (in orange in the diagram).

Insurance risks				Financial risks		
Life underwriting risk	**Non-Life underwriting risk**	**SLT Health**	**Non-SLT Health**	**Market risk**	**Counterparty risk**	**Liquidity risk**
Mortality risk	Premium and reserve risk	Catastrophe risk		Interest rate risk	Downgrade risk	Market liquidity risk
Longevity risk	Catastrophe risk	Mortality risk	Premium and reserve risk	Stock (price) risk	Default risk	Risk of funding liquidity
Disability/ morbidity risk	Expense risk	Longevity risk	Termination risk (redemption)	Real estate assets risk		
Expense risk		Disability/ morbidity risk		Spread risk		
Revision risk		Expense risk		Foreign currency exchange risk		
Termination risk		Revision risk		Concentration risk		
Catastrophe risk		Termination risk (redemption)				

Non-financial risks		External and environmental risks (*)
Operational risks	**Other non-financial risks**	**Strategic and reputational risk**
Business disruption	Model risk	
Workforce and active management	Concentration risk	
Violation of legal and regulatory obligations (Compliance)		
Internal and external client satisfaction		
Subcontracting consultancy and supply		
Information security		
Data privacy (GDPR)		
Insurance fraud		
Project		

(*) This category includes external risks such as cyber attacks, ESG-related risks and pandemics.

II.4.4 Risk management policy

Risk management within Ethias is materialized through the setting up of various monitoring processes allowing the identification, the monitoring and the reporting of the different endured risks.

II.4.4.1 Risk appetite

The clear and definite expression of the organization's objectives constitutes a prerequisite for all risk management and the company's objectives have to be formally listed up to the level of granularity that corresponds to the aimed risk analysis.

The company's risk appetite and its strategic objectives have to be consistent with each other. Risk appetite falls within the competence of the Board of Directors. In practice, it is proposed by the Chief Risk Officer, validated by the Executive Committee and approved by the Board of Directors. The risk policies are the direct translation of the Board of Directors' view in terms of risk appetite. Similar to the strategic objectives that are translated into operational objectives, risk appetite, as it has been approved by the Board of Directors, is equally due to translate itself, through policies into operational terms. Ethias' Risk Appetite, adapted to Solvency II, has been approved by the Board of Directors and it is based on six main axes: solvency, profitability, liquidity, operational excellence, client satisfaction and sustainability.

II.4.4.2 Stress testing and capital planning process

Within the framework of the planning exercise, the company regularly carries out an evaluation of its solvency (i.e. the adequacy of its internal equity to face its global risk profile). The exercise takes the specific risk profile into account: it integrates the main risks and their interactions during the carrying out of stress tests. Stress tests are in themselves tools for measuring specific risks. On a quarterly basis, spot stress tests are performed on the coverage ratio of the SCR. These stress tests are either standardized sensitivity tests or impact tests adapted to the specific risk profile of the company. This process also is a promotion tool and a means of spreading the "Risk Management" culture within all the departments of the company.

II.4.5 Insurance risks

All insurance companies are subject to risks arising from insurance contracts taken out. Those risks, gathered under the name "Insurance risks" come either from the guarantees offered by the different insurance products, or from the very process of the insurance activity. Nevertheless, the risks relating to the various processes will be reclassified in strategic, business or operational risks according to the various factors causing them.

The insurance risks are mainly borne and managed at the level of Ethias SA. The other companies of the Group do not undertake insurance activities. Consequently, the sensitivity analyses in Life and Non-Life hereafter, are only carried out on the level of Ethias SA.

II.4.5.1 Non-Life

II.4.5.1.1 Nature and extent of the risks

Non-Life underwriting risk

The Non-Life underwriting risk is the risk ensuing from insurance liabilities in Non-Life, considering the covered risks and the processes applied in the exercise of this activity.

- Premium and reserve risk

The premium and reserve risk is the risk of loss or of adverse change in the value of insurance liabilities, resulting from changes in the triggering date, the frequency and the gravity of the insured events as well as the date of payment and the total of the claim settlements. The definition also includes the risk of loss or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend or volatility of the expenses incurred in servicing insurance or reinsurance contracts. This risk takes the inflation and the hyperinflation into account.

- Catastrophe risk

The catastrophe risk is the risk of loss or of adverse change in the value of insurance liabilities, resulting from the significant uncertainty related to the extreme or exceptional events and carrying some weight on the pricing and provisioning assumptions.

Special health underwriting risk

The underwriting risk in Health is the risk ensuing from the underwriting of health insurance liabilities, whether it is exerted or not on a technical basis similar to that of Life insurance, considering the covered risks and the processes applied in the exercise of this activity.

SLT Health (Similar to Life Techniques) underwriting risk

The SLT Health underwriting risk results from the underwriting of health insurance liabilities pursued on a technical basis similar to that of Life insurance. This module also includes the annuities resulting from Non-SLT Health (Non-Similar to Life Techniques) contracts such as the workers' compensation contracts or Accident contracts. The risks in this category are the same as those under "Life Underwriting Risk", except Catastrophe Risk.

- Mortality risk

The mortality risk is the risk of loss or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend or volatility of mortality rates, where an increase in the mortality rate leads to an increase in the value of insurance liabilities.

- Longevity risk

The longevity risk is the risk of loss or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend or volatility of mortality rates, where a decrease in the mortality rate leads to an increase in the value of insurance liabilities.

- Disability/morbidity risk

The disability/morbidity risk is the risk of loss or of adverse change in the value of insurance liabilities, resulting from fluctuations in the level, trend or volatility of claims due to changes in sickness, disability, recovery, revalidation and morbidity rates.

- Expense risk

The expense risk is the risk of loss or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend or volatility of the expenses incurred in servicing insurance or reinsurance SLT Health contracts.

- Revision risk

The revision risk, applicable to annuities, is the risk of loss or of adverse change in the value of insurance liabilities, resulting from fluctuations in the level, trend or volatility of the inflation rate, a change in the legal environment or in the state of health of the individual. The revision risk applied to annuities resulting from Non-SLT Health (Non-Similar to Life Techniques) contracts, is also classified under this risk.

- Termination risk

The termination risk is the risk of loss or of adverse change in the value of insurance liabilities, resulting from fluctuations in the level or volatility of the termination, maturity or renewal rates for policies.

Non-SLT Health (Non-Similar to Life Techniques)

- Premium and reserve risk

The premium and reserve risk is the risk of loss or of adverse change in the value of insurance liabilities, resulting from changes in the triggering date, the frequency and the gravity of the insured events as well as the date of payment and the total of the claim settlements. The definition also includes the risk of loss or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend or volatility of the expenses incurred in servicing insurance or reinsurance contracts.

- Termination risk

The termination risk is the risk of loss or of adverse change in the value of insurance liabilities, resulting from fluctuations in the level or volatility of the termination, maturity or renewal rates for policies.

- Catastrophe risk

The catastrophe risk is the risk of loss or unfavourable change in the value of the insurance liabilities, resulting from the considerable uncertainty, related to the unusual accumulation of risks under such extreme circumstances.

II.4.5.1.2 Sensitivity analysis

The table hereafter shows the gross impact, excluding reinsurance, of the sensitivity analyses on the income statement. These estimates represent the effect resulting from an increase in management costs or in claims frequency on the evaluation of the Non-Life insurance contracts within the framework of IFRS 4 (phase 1).

In thousands of euros; solely Ethias SA	31 December 2021	31 December 2020
Increase in internal claims handling costs by 10%	(13,968)	(13,482)
Increase by 5% in claims	(54,460)	(42,328)

II.4.5.2 Life

II.4.5.2.1 Nature and extent of the risks

Life underwriting risk

The life underwriting risk is the risk ensuing from insurance liabilities in Life, considering the covered risks and the processes applied in the exercise of this activity.

- Mortality risk

The mortality risk is the risk of loss or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend or volatility of mortality rates, where an increase in the mortality rate leads to an increase in the value of insurance liabilities.

- Longevity risk

The longevity risk is the risk of loss or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend or volatility of mortality rates, where a decrease in the mortality rate leads to an increase in the value of insurance liabilities.

- Disability/morbidity risk

The disability/morbidity risk is the risk of loss or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend or volatility of disability, sickness, recovery, revalidation and morbidity rates.

- Expense risk

The expense risk is the risk of loss or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend or volatility of the expenses incurred in servicing insurance (or reinsurance) SLT Health contracts.

- Revision risk

The revision risk is the risk of loss or of adverse change in the value of insurance liabilities, resulting from a change in the legal environment or in the state of health of the individual.

- Termination risk

The termination risk is the risk of loss or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend or volatility of the reduction, maturity, redemption rates and renewal rates of the policies.

- Catastrophe risk

The catastrophe risk in Life is the risk of loss or adverse change in the value of insurance liabilities resulting from the significant uncertainty associated with extreme or irregular events.

II.4.5.2.2 Sensitivity analysis

The table below shows the gross impact of the sensitivity analyses on own funds. These estimates represent the effect induced by the modification of various valuation assumptions on the evaluation of Life insurance and investment contracts within the framework of IFRS 4 (phase 1). The shocks considered are those used by the company's management as part of the assessment of Life insurance risks. The orders of magnitude used are similar to those identified within the framework of the Solvency II standard.

In thousands of euros; includes impact on the ring-fenced funds	31 December 2021	31 December 2020
Mortality risk		
Increase by 15 % in mortality	32,536	30,888
Longevity risk		
Increase by 20 % in longevity	(51,822)	(58,977)
Expense risk		
Increase in internal claims handling costs by 10%	(42,587)	(40,546)
Doubling of inflation relating to the base-case inflation vector	(108,013)	(51,714)

II.4.5.3 Concentration risk

The management team analyses the insurance activities of the Group and distinguishes two major segments of policy holders: Public Bodies & Companies on the one hand, and Private Individuals, on the other hand.

- Public Bodies and Companies

Ethias is the privileged insurer of the Public Sector thanks to the exceptional knowhow it has developed during more than 100 years of partnership. Its insured parties include the Federal State, Regions and Communities, local public authorities (provinces, cities and municipalities, public social welfare centres ...), public companies as well as thousands of intercommunity and semi-public bodies, schools, hospitals, public interest organizations ...

For several years now, Ethias has also been making its competence and its expertise available to companies.

Ethias' positioning towards this category of policy holders explains the high concentration of premium income with regard to Public Bodies and Companies.

- Private Individuals

Ethias, as a direct insurer, also offers a complete product range via a wide range of distribution channels to Private Individuals.

In thousands of euros	31 December 2021 Income	Part of the income	31 December 2020 Income	Part of the income
Non-Life insurance				
Public bodies and Companies	808,583	30%	792,510	30%
Private Individuals	595,745	22%	589,507	22%
Gross premiums	**1,404,328**	**52%**	**1,382,016**	**52%**
Public bodies and Companies	(31,852)	-1%	(30,905)	-1%
Private Individuals	(7,343)	0%	(6,930)	0%
Premiums ceded to reinsurers	**(39,195)**	**-1%**	**(37,835)**	**-1%**
Public bodies and Companies	776,731	28%	761,605	28%
Private Individuals	588,402	22%	582,577	22%
Net premiums	**1,365,133**	**50%**	**1,344,182**	**50%**
Life insurance				
Public bodies and Companies	1,316,126	48%	1,296,296	48%
Private Individuals	46,415	2%	41,874	2%
Gross premiums	**1,362,541**	**50%**	**1,338,171**	**50%**
Public bodies and Companies	(1,362)	0%	(1,506)	0%
Private Individuals	-	0%	-	0%
Premiums ceded to reinsurers	**(1,362)**	**0%**	**(1,506)**	**0%**
Public bodies and Companies	1,314,764	48%	1,294,791	48%
Private Individuals	46,415	2%	41,874	2%
Net premiums	**1,361,179**	**50%**	**1,336,665**	**50%**
Total amount Life and Non-Life insurance	**2,726,312**	**100%**	**2,680,846**	**100%**

II.4.5.4 Reinsurance

Reinsurance lies within the control process of the insurance risks.

It also contributes to the improvement of the solvency ratio.

Ethias SA’s main insurance risks concern non-life insurances, liability insurances (miscellaneous and motor vehicle), life/health insurances and (natural or human-caused) catastrophe risks 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 programmes are divided into three major parts: non-life insurances, liability insurances (miscellaneous & motor vehicle) and life/health insurances (occupational accidents and death/disability insurances).

Each year, they are reassessed to meet the needs of production taking into account the reinsurance market and to hedge the capacities required in the frame of Solvency II.

The price of reinsurance capacities was again on a downward trend, given the large capacities available.

There has been little change in reinsurance programmes between 2020 and 2021. Overall, the volume of premiums ceded by Ethias SA has remained stable over the last few years.

II.4.6 Financial risks

Financial risk includes all the risks relating to the performance and the value of the financial assets. It holds:

- the counterparty risk which materializes itself in case of default of one of the counterparties of the company;
- the market risk which reflects the impact of the fluctuations and of the volatility of the market prices of the company's assets and liabilities;
- the liquidity risk which measures the company's capacity to satisfy its cash flow needs without prejudicing its daily activities.

II.4.6.1 Counterparty risk

II.4.6.1.1 Nature and extent of the risks

The counterparty risk reflects possible losses due to unexpected default or deterioration in the credit rating, of the insurance company's counterparties and debtors. The definition covers risk-mitigating contracts, such as reinsurance arrangements, securitizations and derivatives, and receivables from intermediaries, as well as any other credit exposures which are not covered in the spread risk module.

The counterparty risk can be subdivided into:

- Downgrade risk: downgrade risk is the risk of exposure to financial losses related to the downgrade of a country or of a company in which the company has invested (directly or via a debt security), of a counterparty of a financial transaction, (e.g. OTC contracts) or of a reinsurer.
- Default risk: default risk is the risk of exposure to financial losses related to the default of a country or of a company in which the company has invested (directly or via a debt security), to the default of a counterparty of a financial transaction, (e.g. loans or OTC contracts) or to the default of a reinsurer.

II.4.6.1.2 Maximum exposure and mitigation of credit risk

The table hereafter shows the credit risk to which the Group is exposed. It mentions the market value of the main categories of financial assets.

Besides diversification and measures to avoid concentrations, credit risk can be reduced by coverages or by obtaining collaterals or guarantees. The value of the collateral is determined by a cautious approach, based on several criteria including the nature and the specific type of collateral as well as its liquidity and the volatility of its value. The breakdown of these collaterals and guarantees obtained to cover the financial assets of the Group can also be found hereafter.

	31 December 2021					
In thousands of euros, in market value, at the Group's level	Maximum exposure to credit risk	Cash	Securities	Real estate properties	Total amount of received guarantees	Unsecured exposure
Available for sale	1,148,052	-	-	-	-	1,148,052
Designated at fair value through profit or loss	147,267	-	-	-	-	147,267
Held for trading	14,974	-	-	-	-	14,974
Participating interests, shares and investment funds	**1,310,293**	**-**	**-**	**-**	**-**	**1,310,293**
Available for sale	14,811,752	-	167,593	-	167,593	14,644,159
Designated at fair value through profit or loss	286,665	-	-	-	-	286,665
Bonds	**15,098,417**	**-**	**167,593**	**-**	**167,593**	**14,930,825**
Loans and deposits recognized at amortized cost	899,346	-	-	231,068	231,068	668,278
Other investments	**899,346**	**-**	**-**	**231,068**	**231,068**	**668,278**
Held for trading	4	-	-	-	-	4
Held for hedging purposes	288,276	1,020,000	-	-	1,020,000	(731,724)
Derivative financial instruments	**288,280**	**1,020,000**	**-**	**-**	**1,020,000**	**(731,720)**
Receivables arising from insurance operations or accepted reinsurance	**198,641**	**-**	**-**	**-**	**-**	**198,641**
Receivables arising from ceded reinsurance operations	**113,722**	**-**	**70,002**	**-**	**70,002**	**43,719**
Other receivables	**225,042**	**-**	**2,222**	**-**	**2,222**	**222,820**
Cash and cash equivalents	**455,300**	**-**	**-**	**-**	**-**	**455,300**
Total amount of exposure to credit risk	**18,589,041**	**1,020,000**	**239,817**	**231,068**	**1,490,885**	**17,098,156**

In thousands of euros, in market value, at the Group's level	Maximum exposure to credit risk	Cash	Securities	Real estate properties	Total amount of received guarantees	Unsecured exposure
	31 December 2020					
Available for sale	950,999				-	950,999
Designated at fair value through profit or loss	120,075				-	120,075
Held for trading	8,526	-	-	-	-	8,526
Participating interests, shares and investment funds	**1,079,599**	**-**	**-**	**-**	**-**	**1,079,599**
Available for sale	15,195,536		342,773		342,773	14,852,762
Designated at fair value through profit or loss	310,143				-	310,143
Bonds	**15,505,679**	**-**	**342,773**	**-**	**342,773**	**15,162,905**
Loans and deposits recognized at amortized cost	669,275			266,088	266,088	403,187
Other investments	**669,275**	**-**	**-**	**266,088**	**266,088**	**403,187**
Held for trading	327	-			-	327
Held for hedging purposes	28,411	28,721			28,721	(310)
Derivative financial instruments	**28,738**	**28,721**	**-**	**-**	**28,721**	**17**
Receivables arising from insurance operations or accepted reinsurance	**217,848**		**3,322**		**3,322**	**214,526**
Receivables arising from ceded reinsurance operations	**124,132**		**111,104**		**111,104**	**13,028**
Other receivables	**171,669**		**3,916**		**3,916**	**167,752**
Cash and cash equivalents	**531,744**				**-**	**531,744**
Total amount of exposure to credit risk	**18,328,683**	**28,721**	**461,115**	**266,088**	**755,925**	**17,572,758**

Assets held for hedging purposes are considered at their net risk position by issuer. Derivatives vis-à-vis a counterparty whose net value is negative are therefore not included here because they have no credit risk exposure.

Participating interests, shares and investment funds

The breakdown of the Group's exposure towards price risk on shares can be found in chapter ***II. Report of the Board of Directors,*** point 4.6.4.3.

Bonds

The bond portfolio of the Group contains a certain number of securities backed by various types of assets. It consists of covered bonds, among other things.

Covered bonds are debt securities issued by a credit institution and whereof the payment is guaranteed by specifically dedicated (or "hedging assets") assets. The holders of covered bonds have, in the event of insolvency of the issuer, a "dual recourse" on the issuer's general assets on the one hand, and on the specifically dedicated assets, on the other hand. They represent 167.6 million euros on 31/12/2021 and 342.8 million euros on 31/12/2020.

Loans and deposits

The received guarantees linked with mortgages are limited to the outstanding balance in order to take the fair credit risk into account.

As far as loans and deposits are concerned, up to now, there has been no revaluation of the guarantee.

Loans are granted in accordance with a well-defined credit investment policy.

Derivative financial assets

In 2021, the amount of collateral received relating to derivative products amounts to 1 million euros. The derivative financial instruments at end-2021 are therefore fully covered by the collateral received.

Receivables

The breakdown of guarantees relating to the account receivables can be found in chapter ***VII. Notes relating to items not included in the balance sheet,*** point 4.1.

The credit quality of the receivables is set out in Chapter ***V. Notes to the consolidated balance sheet,*** point 9.3.

II.4.6.2 Concentration risk

The concentration risk on the market risks includes the risk of additional losses borne by the company as a result of either, the lack of diversification in its assets portfolio (losses increased by the concentration of investments in a geographical zone or activity sector) or an important exposure to the default risk of one and only issuer of securities or of a group of related issuers.

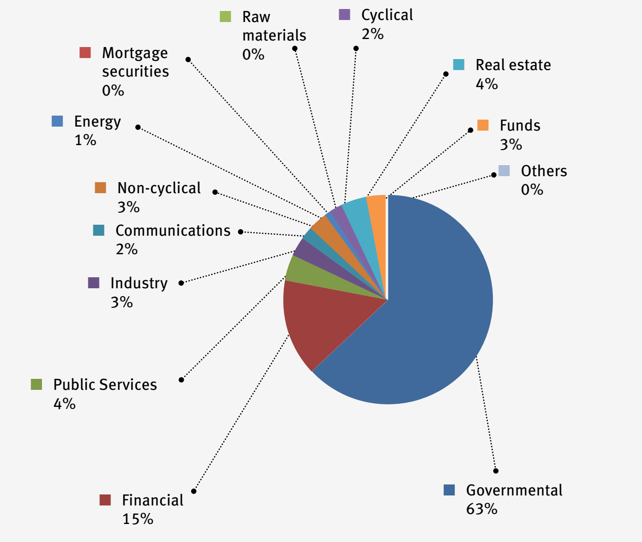
II.4.6.2.1 Sectoral distribution

In order to manage the concentration at sectoral level of the financial assets, the financial limits system groups the assets together per distinct asset class and defines an asset allocation strategy which allows a sound diversification.

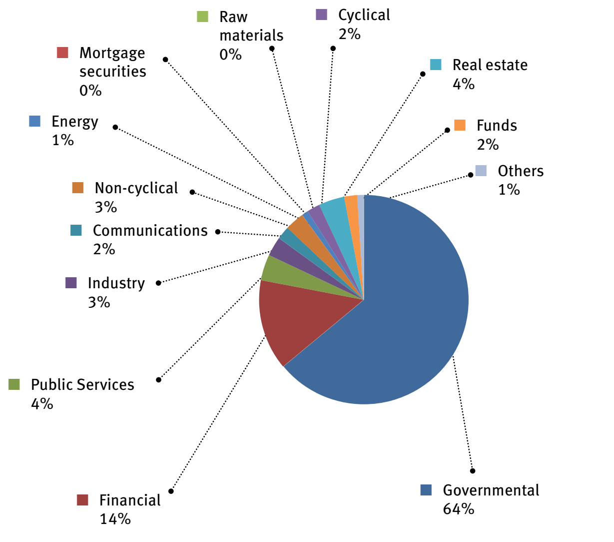
In 2020 and 2021, the sectoral distribution of the shares and investment funds as well as of the bonds and similar securities invested appears as follows:

Bonds and similar securities:

31 December 2021 - Breakdown by market value

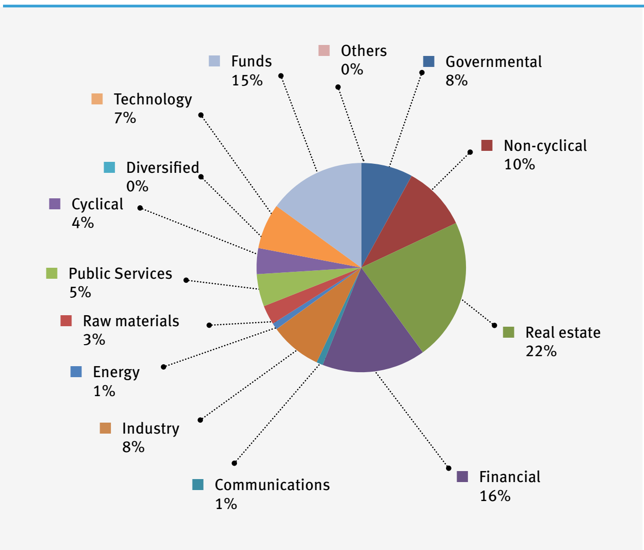


31 December 2020 - Breakdown by market value

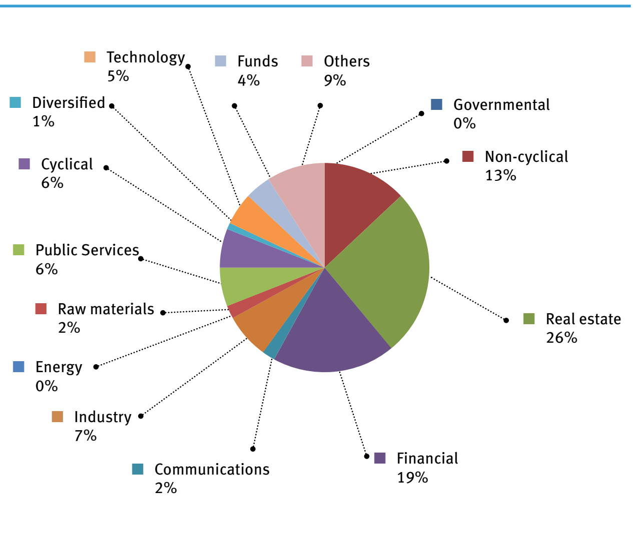


Shares, participating interests and investment funds:

31 December 2021 - Breakdown by market value



31 December 2020 - Breakdown by market value



II.4.6.2.2 Exposure to sovereign risk

At end-December 2021, the part invested in sovereign or supranational debt amounts to 68% of the total amount of the fair value of all the bonds (i.e. 10,202.2 million euros on a total of 15,098.4 million euros). End-2020, this part amounted to 67% (i.e. 10,426.4 million euros on a total of 15,505.7 million euros).

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

In thousands of euros, in market value	31 December 2021	31 December 2020
Germany	687,135	403,191
Austria	182,849	174,182
Belgium	3,164,039	3,981,258
Spain	874,069	966,220
Central and Eastern Europe	559,857	565,218
France	1,383,082	1,519,345
Ireland	551,890	559,948
Italy	777,451	434,799
The Netherlands	13,820	20,677
Scandinavia	99,958	46,547
Portugal	806,847	847,423
Supranational securities	830,249	691,969
Others	266,467	215,598
Total	**10,202,248**	**10,426,376**

Within the framework of credit risk management, the details of sovereign risk exposure as mentioned above are analysed whilst including all debts issued or guaranteed by governments without limitation to their activity sector. By way of example, securities of companies active in public services but guaranteed by the Belgian state are considered as government and similar debts. This explains why the total amount of sovereign risk exposure, 10,202.2 million euros per December 31, 2021 (against 10,426.4 million euros per December 31, 2020), is higher than the amount mentioned under the sector "Governmental", i.e. 9,462.3 million euros (against 9,935.9 million euros per December 31, 2020).

II.4.6.3 Liquidity risk

II.4.6.3.1 Nature and extent of the risks

We consider that the liquidity risk to which the Company is subject can be analysed in two distinct ways:

- Risk of market (il)liquidity: the risk of loss resulting from the fact that the company cannot easily compensate or eliminate a position at market price because of inadequate market depth or market disruptions.
- Risk of funding (il)liquidity: the risk of loss resulting from the fact that the company is not able to satisfy the need for present and future, expected and unexpected cash flows, without affecting its day-to-day operations or its financial position.

On the whole, the liquidity risk is the risk of not being able to meet the demands, expected or not, issued by the insurants or by other counterparties, without significantly burdening the profitability of the company.

This risk is analysed and monitored on a quarterly basis through comparisons between the contractual maturities of assets and liabilities, making it possible to measure the impact of a change in repayment profiles mainly in liabilities.

II.4.6.3.2 ALM risks

A quarterly ALM report allows to diagnose the asset-liability management and the liquidity situation and to propose the necessary corrective measures. This report is analysed by the ALCO committee. The conclusions are presented to the Executive Committee which takes, if necessary, the corrective measures required and which determines the specific steering of certain identified risks. A summary report is transmitted to the Board of Directors.

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, the investment risk and for assuring their follow-up, for validating the strategic asset allocation (SAA), for ensuring the consistency with the Risk Appetite.

II.4.6.3.3 Analysis of contractual maturities

The liquidity risk is analysed essentially within the company Ethias SA, which concentrates the majority of the Group's cash flows and on the basis of which the liquidity risk is analysed and monitored by the management. The table below shows the contractual cash flows expected by Ethias SA per category of financial assets and liabilities, grouped per maturity date.

	31 December 2021						
		Expected cash flows (undiscounted)					
In thousands of euros, only Ethias SA	Book value	Total amount of undis-counted flows	Up to 1 year	Between 1 and 5 years	Between 6 and 10 years	Between 11 and 20 years	More than 20 years
Assets							
Bonds and similar securities	15,087,818	16,601,190	2,158,587	4,360,645	3,622,365	3,876,708	2,582,884
Participating interests, shares, investment funds and investment property	1,989,341	2,752,752	25,666	597,823	574,763	761,333	793,167
Loans and deposits	1,033,766	872,403	30,800	56,875	71,094	311,086	402,548
Cash and cash equivalents	373,837	491,533	491,533	-	-	-	-
Investments belonging to unit-linked insurance contracts	1,778,054	1,866,957	1,866,957	-	-	-	-
Derivatives	**25,852**	**-**	**-**	**-**	**-**	**-**	**-**
Total assets	**20,288,668**	**22,584,835**	**4,573,544**	**5,015,343**	**4,268,222**	**4,949,128**	**3,778,599**
Liabilities							
Insurance and investment contract liabilities	14,041,577	14,910,428	929,992	3,214,217	2,795,244	4,340,185	3,630,791
Liabilities belonging to unit-linked insurance contracts	1,778,054	1,778,054	1,778,054	-	-	-	-
Subordinated debts	494,777	596,884	22,783	541,236	1,310	2,619	28,936
Other financial debts	726,327	728,430	630,127	98,303	-	-	-
Derivatives	123,259	-	-	-	-	-	-
Total liabilities	**17,163,994**	**18,013,797**	**3,360,957**	**3,853,755**	**2,796,553**	**4,342,805**	**3,659,727**

In thousands of euros, only Ethias SA	31 December 2020 Book value	Expected cash flows (undiscounted) Total amount of undis-counted flows	Up to 1 year	Between 1 and 5 years	Between 6 and 10 years	Between 11 and 20 years	More than 20 years
Assets							
Bonds and similar securities	15,491,365	16,731,606	1,986,109	5,408,001	2,906,894	3,614,959	2,815,644
Participating interests, shares, investment funds and investment property	1,709,147	2,368,767	45,380	257,124	745,544	729,778	590,941
Loans and deposits	805,630	1,088,735	126,779	380,573	271,680	232,639	77,065
Cash and cash equivalents	479,793	479,793	479,793	-	-	-	-
Investments belonging to unit-linked insurance contracts	1,491,140	1,565,697	1,565,697	-	-	-	-
Derivatives	29,376	-	-	-	-	-	-
Total assets	**20,006,452**	**22,234,599**	**4,203,759**	**6,045,698**	**3,924,117**	**4,577,376**	**3,483,649**
Liabilities							
Insurance and investment contract liabilities	14,224,094	14,635,822	2,221,627	3,655,001	2,484,084	3,528,841	2,746,269
Liabilities belonging to unit-linked insurance contracts	1,491,140	1,491,140	1,491,140	-	-	-	-
Subordinated debts	491,364	614,441	23,271	160,618	424,234	3,014	3,304
Other financial debts	622,201	618,959	416,055	202,904	-	-	-
Derivatives	925	-	-	-	-	-	-
Total liabilities	**16,829,724**	**17,360,362**	**4,152,093**	**4,018,523**	**2,908,318**	**3,531,855**	**2,749,573**

The projection of cash flows is based on several assumptions. These have been changed between 2020 and 2021, no longer taking into account in the methodology of planned reinvestments. The differences between the two tables can be explained by this change in methodology.

Financial assets

The portfolios are projected in run-off and by asset class in order to reproduce more realistically the liquidity flows actually expected. Term assets such as bonds and loans have their cash flows calculated according to their maturities and coupon rates. Cash and Branch 23 are considered as flows below one year.

In addition, for the majority of assets in the following classes: equities - participating interests - bond funds - investment properties, cash flows have been projected assuming that these asset classes would follow an extinction profile similar to that of insurance and investment contracts. Hence, a decreasing profile is applied to these assets similar to the profile of the liabilities to which they are backed. By internal conventions, these assets are only liquid from the second year of projection and a recurring income rate of 3% is incorporated in their extinction profile.

We also note that actual maturities may differ from contractual maturities because certain assets are accompanied by early redemption clauses, with or without penalties, or maturity extension clauses.

Liabilities

Only contractual future premiums are taken into account, including for the Non-Life activities, and the expected cash flows on insurance contracts are based on the repurchase assumptions defined internally.

Repos

In 2020 and 2021, the repo margin strategy was put in place to anticipate investments and the reimbursement plan depends mainly on bond maturities.

Derivative instruments

Only hedges giving rise to an exchange of cash at maturity have been taken into account in our analyses.

II.4.6.4 Market risk

The market risk reflects the risk related to the volatility level in the market value of the financial instruments which have an impact on the value of assets and liabilities of the company concerned.

It covers interest rate risk (sensitivity to changes in the interest rate curve), stock price risk (sensitivity to changes in the level or volatility of the stock market value), risk on real estate assets (sensitivity to changes in the level or volatility of the market value of real estate assets), spread risk (sensitivity to changes in the level or volatility of credit spreads related to the risk-free interest rate curve), foreign exchange risk (sensitivity to changes in the level or volatility of exchange rates), as well as the concentration risk.

Furthermore, the market risk reflects in principle the structural mismatch between assets and liabilities, in particular with regard to their duration.

The market risk on financial investments related to unit-linked contracts is assumed by the policyholder. Financial investments are not included in the different analyses below.

II.4.6.4.1 Interest rate risk

The interest rate risk is the risk associated with the sensitivity of the value of assets, liabilities and financial instruments to the changes affecting the interest rate curve (including the slope) or the volatility of the interest rates.

Interest rate fluctuations can have an impact on the products marketed by the company, such as guarantees and bonuses, as well as on the value of the company's investments. This risk arises from the difference in sensitivity of assets and liabilities to changes in interest rates.

The monitoring of the market risk is realized in two ways:

- At the asset level, monthly monitoring of the duration of the portfolio's bond positions;
- in terms of asset-liability management: systematic analysis of the duration and sensitivity gap between assets and liabilities in order to reduce it as much as possible or, if necessary, to cover part of this risk.

II.4.6.4.2 Credit spread risk

The spread risk is the risk associated with the sensitivity of the value of assets and financial instruments to changes which affect the level or volatility of credit spreads towards the risk-free interest rate curve.

The spread risk is managed through limits which take into account the type of exposure to the credit risk, and the quality of the credit as well as through regular supervision of all portfolios. Concentration risk management also helps mitigate the spread risk.

The financial assets to which the spread risk relates are broken down below per credit rating. The amounts proposed are adjusted with the amount of transactions between the companies of the Group.

We consider as reference rating the second best rating available from Moody's, Fitch and Standard & Poor's on the closing date.

	31 December 2021						
In thousands of euros In market value	AAA	AA	A	BBB	BB and below	No rating	Total
Bonds and similar securities	981,789	5,619,720	2,763,415	4,762,042	172,261	799,188	15,098,417
Loans and deposits	-	20,088	121,483	-	-	743,250	884,820
Receivables	-	-	513	-	-	550,124	550,636
Cash and cash equivalents	-	836	396,448	4	191	57,821	455,300
Total	**981,789**	**5,640,644**	**3,281,859**	**4,762,046**	**172,453**	**2,150,382**	**16,989,174**

	31 December 2020						
In thousands of euros In market value	AAA	AA	A	BBB	BB and below	No rating	Total
Bonds and similar securities	816,637	6,444,242	2,721,842	4,637,957	174,425	710,577	15,505,679
Loans and deposits	-	14,506	68,158	-	-	586,610	669,275
Receivables	-	-	47	-	-	513,601	513,648
Cash and cash equivalents	207	52	489,657	-	323	41,505	531,744
Total	**816,844**	**6,458,801**	**3,279,705**	**4,637,957**	**174,747**	**1,852,293**	**17,220,346**

For "Bonds and similar securities", very few changes in rating are observed in 2021. The evolutions are due to reinvestments (for example in AAA govies) and to the variation of the market values of investments.

II.4.6.4.3 Stock price risk

The share risk is the risk associated with the sensitivity of the value of financial instruments to changes which affect the level of the market value of the shares.

The price risk relates to the overall position in the market value of the share in participating interests, shares and investment funds. The overall position of the Ethias Group is shown in the below table.

	31 December 2021		31 December 2020	
In thousands of euros, in market value	Fair value	% of the value in the balance	Fair value	% of the value in the balance
Participating interests	133,831	0.63%	128,659	0.62%
Equities	728,625	3.44%	639,478	3.07%
Investment funds	447,837	2.12%	**311,461**	1.49%
Total	**1,310,293**	**6.19%**	**1,079,599**	**5.18%**

II.4.6.4.4 Price risk on investment properties

The risk on real estate is the risk associated with the sensitivity of the value of financial instruments to changes which affect the level of the real estate assets' market value.

In 2021, the market value of the Group's investment properties amounts to 643 million euros (i.e. 3.04% of total assets) against 645 million euros (i.e. 3.10% of total assets) in 2020.

II.4.6.4.5 Foreign currency exchange risk

The exchange risk (or currency risk) is the risk associated with the sensitivity of the value of financial instruments denominated in foreign currencies to changes which affect the level of the currency exchange rates. The foreign currency exchange risk is limited for the Group.

II.4.6.5 Analysis of sensitivity to financial risks

The measurement and monitoring of each risk results in sensitivity analyses allowing to estimate the gross impact of stress tests on the overall result as well as on the company's solvency.

The table hereafter shows the shocks taken into account when assessing the different types of risk as well as their impact on the income statement and on other items of comprehensive income. The shocks considered are those used by the company's management as part of market risk assessment. The orders of magnitude used are similar to those identified within the framework of the Solvency II standard. The sensitivity analysis proposed is based on the portfolio of shares and bonds held by Ethias SA. In the case of shares, the impact on the SICAV "Ethias Sustainable Investment Fund" (E.S.I.F), formerly "RTD Ethias High Yield", is also taken into account. The amounts do not include the effects of the application of shadow accounting, nor of the adequacy test for the technical provision.

	31 December 2021	
In thousands of euros; only Ethias SA (and plus Ethias S.I.F. in the case of shares)	Estimated impact on the income statement	Estimated impact on other comprehensive income items
Interest rate risk (excluding derivatives)		
Increase in the yield curve by 100 basis points	(3,254)	(1,404,333)
Decrease in the yield curve by 100 basis points	3,254	1,404,333
Credit spread risk		
Increase in the credit spread by 100 basis points	(7,968)	(1,401,482)
Decrease in the credit spread by 100 basis points	7,968	1,401,482
Stock price risk		
Stock price decrease by 39 %	(87,308)	(344,811)
Stock price increase by 39 %	51,906	378,938

In thousands of euros; only Ethias SA (and plus Ethias S.I.F. in the case of shares)	31 December 2020	
	Estimated impact on the income statement	**Estimated impact on other comprehensive income items**
Interest rate risk (excluding derivatives)		
Increase in the yield curve by 100 basis points	(5,905)	(1,404,559)
Decrease in the yield curve by 100 basis points	5,905	1,404,559
Credit spread risk		
Increase in the credit spread by 100 basis points	(5,836)	(1,402,925)
Decrease in the credit spread by 100 basis points	5,836	1,402,925
Risque de prix sur actions		
Stock price decrease by 39 %	(100,772)	(245,686)
Stock price increase by 39 %	42,141	304,985

Sensitivities to interest rates and credit spreads are stable compared to end-2020. In terms of equity risk: we are seeing, in the event of a decline in equity levels, an increase in sensitivities between other items of comprehensive income (OCI) and P&L as equity exposure has increased in 2021. The P&L impact in the event of an increase in stock prices is higher at end-2021 compared to end-2020 because 2021 gave rise to more impairments than in 2020.

Derivative hedging strategies are used in order to mitigate Ethias' exposure to the risk of widening credit spreads on Belgian government bonds (bond futures contracts). Those relating to protection against the risk of falling interest rates (swap futures contracts) expired in 2021. The estimated impact of these hedging derivatives at 31/12/2021 on the sensitivity of other items of comprehensive income is presented below.

Impact related to forward bonds:

- Increase in the credit spread by 100 basis points: +129 million euros
- Decrease in the credit spread by 100 basis points: -129 million euros

These different impact levels have significantly increased compared to 2020 following the new protections purchased in 2021 also on Spain in addition to Belgium and France.

The amounts included in this chapter do not include the effect of the application of shadow accounting, nor of the adequacy test for the technical provisions. The application of these two accounting adjustments strongly offsets the sensitivity of the result and of the OCI to market risks. Indeed, the application of shadow accounting to these various shocks would imply residual impacts on own funds that are much lower than the amounts in the table. It should be noted that for the interest rate effect or the spread effect on bonds, there would only be a net impact on own funds of -394 million euros. It should also be noted that the residual impact on own funds of the equity shock on shares would be in the range of -121 million euros (for the equity downward shock) and +131 million euros (for the equity upward shock).

II.4.7 Operational risks

The operational risk is described as "the risk of direct or indirect loss resulting from an inadequacy or failure attributable to procedures, processes, and people as well internal as external and to systems within the organization, or resulting from external events".

External events are for instance natural disasters (fire, flooding...), legal changes, strikers preventing access to the workplace, etc.

The definition includes legal risk, but excludes strategic and reputational risks.

With regard to operational risks, Ethias carries out different types of risk assessment, namely:

- operational risk assessment on activities
- operational risk assessment on projects
- operational risk assessment on new products
- operational risk assessment on organizational changes
- analysis of transversal operational risks impacting the achievement of the company's strategic objectives
- analysis of information security risks and cyber risks.

The Executive Committee directly monitors the operational risk. It analyses and proposes guidelines for the corresponding mitigation/management measures in accordance with Ethias' risk management policy.

II.5 Information regarding environmental and staffing matters

Information relating to environmental and staffing matters is dealt with in the annual reports of Ethias SA (as well as in Ethias SA's non-financial report that is appended to the annual report) and of its various subsidiaries. The Ethias group would be nothing without the strength and commitment of its employees.

II.6 Events subsequent to the date of the consolidated balance sheet

II.6.1 Dividend

The Board of Directors of Ethias SA will propose to the General Assembly of May 2022 the payment of a dividend of 105 million euros.

II.6.2 Ukraine-Russia war

On February 24, 2022, Russia launched a massive military offensive against Ukraine. This worst-case scenario was underestimated by the financial markets and is now affecting risky assets in an increasing but differentiated way. At this stage, it is difficult to say what the outcome of this conflict will be as the situation is evolving day by day.

According to our current estimates, our investment portfolio is very resilient and the direct impact of the conflict in Ukraine on this portfolio should be relatively limited. Unrealized gains in equities should suffer in a differentiated way across sectors and issuers without changing our positioning on the issuers concerned. It should be noted that due to our exclusion policy, Ethias has little exposure to the energy sector. In corporate bonds, only one or two issuers active in gas transportation or distribution could be durably affected by this crisis, although a default risk has not been clearly identified at this stage. Finally, the credit spreads on bonds issued by countries bordering Russia are widening, but our exposure to these countries is limited and European financial solidarity rules out any risk of default on these countries.

To conclude, it is possible that this crisis will have indirect impacts on a number of positions. If this conflict becomes entrenched, it will have an impact on growth as well as on consumer and investor confidence within an increasingly inflationary environment. These indirect effects are currently being further analysed.

II.6.3 Storms

Belgium was heavily affected by storms during February 2022. After the storm "Dudley" passed over Belgium on February 16, 2022 creating significant damage, Northern Europe was again hit by a storm even more intense on Friday, February 18, named "Eunice". It was particularly severe in the west of our country and along the coast line, with a gust of 133.3 km/h recorded in the city of Ostend. For these regions, it is one of the most violent of the last 20 years. A third storm arrived on February 20, called "Franklin", with heavy showers and gusty winds, also causing several damages and disruptions in transportation.

The impact of these three successive storms is currently estimated at 35 million euros before reinsurance.

II.7 Information on circumstances which may significantly impact the company's development

II.7.1 Regulatory developments - Solvency II

A revision, on a broader scale than previously known, of the parameters used in the calculation of the solvency requirement is envisaged for 2025. The European Insurance and Occupational Pensions Authority (EIOPA) had launched a consultation with stakeholders in the course of 2019 in order to identify the adjustments to be made in the calibration of the SCR in standard formula. These proposals aim at adapting the Solvency II regime to the market developments and to incorporate the practical experience gained during the first years of its application. A Stress Testing exercise was organized by EIOPA in 2020 to assess the impact of certain developments on companies. Based on these results, EIOPA has proposed to the European Commission in 2021 the transcription of certain measures into regulation.

Nevertheless, in order to best anticipate the impact of future regulatory changes on our ratio, Ethias participates in the working group of the Professional Union of Belgian Insurance Companies (Assuralia). In addition, Ethias carefully analyses the European Commission's proposals in order to assess the financial and organizational impacts.

II.8 Research & Development

II.8.1 Innovation and product development

II.8.1.1 Flora

flora by Ethias

After a successful launch in September 2020 and an initial Tenant Insurance offering, Flora has distinguished itself by offering an innovative solution for co-housers in the fall of 2021. Flora, the first 100% digital Insurtech covering the entire insurance value chain in Belgium, is positioned as a complementary distribution channel for Ethias by targeting digital seekers.

II.8.1.2 Development of products and services

Ethias continues its commitment to innovation in both products and services to best meet the needs of its clients and the general public. In addition to Flora (mentioned above), Ethias has also developed several innovative services by capitalizing on the complementary nature of the skills within its IT subsidiary NRB, its subsidiary IMA Benelux specialized in assistance services or its subsidiary Ethias Services:

- Home Services by Ethias: digital platform that enables users (Ethias clients and non-clients) to order services for making small repairs or doing work in their house (various services relating to heating, locksmithing, sanitary fittings and plumbing, electricity, woodwork ...).
- Sharonomy: a downloadable smartphone solution that allows the client to send photos of their used vehicle and thus avoid the physical presentation of the vehicle before taking out property damage insurance;
- Assist On Demand: possibility of using a digital pathway to call for a breakdown mechanic when one does not have road assistance coverage;
- LibertyRider: a guardian angel application for motorcyclists, which is offered to all motorcycle insurance holders;
- Improvements to the customer experience (additional functionalities in the Client Zone and in Ethias Connect, a digital space dedicated respectively to B2C and B2B clients);
- In Health:
  - Ethias has started, in collaboration with Masana and several hospitals, a test programme of accompaniment and follow-up at home for patients with various pathologies.
  - Ethias is also partner of MoveUp in the development of its follow-up programme for bariatric surgery patients.
  - Ethias tested the service “Abi”, on a sample of several thousand people, a solution of first medical orientation by text message.
- For B2B clients, Ethias Services now offers:
  - a web and mobile mapping software, dedicated to the inventory and maintenance of playground spaces and equipment;
  - the EAP, an employee assistant programme that provides telephone access to a variety of services (professional and private);
  - individual psychological support, which was specifically aimed at students (during the lockdown) or the victims of the July floods, but which is also relevant in the context of work-related accidents or guaranteed income insurances;
  - a professional reintegration service following an accident or a long-term illness or burn-outs;
  - a cybersecurity service that allows companies to remedy a low level of protection against cyber risks;
  - fire risk audits and prevention measures to enable companies and public services to meet their legal obligations.
- All of these services are now available on a marketplace (https://solutions.ethias.be/fr/) that was launched in September 2021. The projects can be seen and are explained within our Ethi'hub showcase (https://ethihub.be/fr/).

II.8.1.3 Data Technology investments

Ethias is strengthening its Data programme initiated in 2021 through developments aimed at centralizing data in a single, governed environment to support the company's strategic data ambitions.

II.8.2 Technological developments

Ethias continues to strengthen its position as the n° 1 Direct insurer, the n° 1 Digital insurer and the n° 1 insurer for Public Bodies. In this context, we are pursuing our IT transformation programmes:

- Ethias' IT services are reinforced by a centralization at group level at our subsidiary NRB, with a new multi-year contract that allows us to establish a long-term vision with control of IT expenses while maintaining ambitious investments to support our strategic vision. An *agile* approach is being launched to increase our overall agility.
- The "Century” programme has enabled the production of the new tool for managing Car and Fire claims.
- The “Digital” programme, which aims to offer Ethias' clients online services and innovative applications, has resulted in the creation of a new and modernized “Client Zone” that can be accessed via mobile platforms.
- Several partnerships have been materialized through standardized interfaces (API).
- In order to gain agility and responsiveness to the needs of our markets, we have started a programme to modernize all existing legacy applications.
- Ethias has deployed an action plan on data management, focusing on data quality, data governance and data exploitation to create value for our clients.

Through our innovation initiatives, Ethias also follows the latest technological developments in the market, with Flora as a flagship achievement.

Certain developments have been the subject of deductions in the context of tax incentive measures for research and development.

II.9 Other activities of the Group

The net profit (loss) of the other activities of the Group is mainly generated by the NRB Group, by the company “Ethias Sustainable Investment Fund SA” (ESIF) and by the real estate subsidiaries.

In March 2021, NRB pursued its growth strategy in pillar 3 with the acquisition of SDP, a company developing the “Actalibra” software package for notaries in the field of accounting and document management. In March, the NRB Group also acquired the minority shares of Computerland and became the sole shareholder of the SME pillar. In May, NRB expanded its service offering within pillar 1 with the Salesforce solution by founding the company Together Services with Cronos. In October, Zorgi expanded its competencies with the “Nurseflow” application thanks to the transfer of Mobitrace activities. In January 2022, pillar 1 strengthened the Salesforce business and developed a new “Change Management” service offering with the acquisition of Ink Consulting.

As part of the reorganization of the NRB group, the merger of Ucon with NRB was carried out on January 1, 2021, as well as the transfer of universality (followed by the liquidation) of Trasys International GEIE. Furthermore, Trasys Luxembourg and NRB have merged with effect from 1 January 2022 with the establishment of a Luxembourg branch.

The NRB group's turnover (including work in progress) reached 501.6 million euros and increased by 88.1 million euros (+21.3%) compared with 2020. Organic growth is up 10.8% (+44.8 million euros) compared to 2020, while growth due to new acquisitions amounts to 10.5% (+43.3 million euros).

The consolidated operating result amounts to 63.9 million euros as at December 31, 2021, i.e. an increase by 42% compared to the previous year. This variation (+19 million euros) is mainly explained by (1) the impact of COVID-19 on the reduction of external costs (fuel, representation costs, etc.) and on the decrease in absenteeism, (2) the reversal of provisions for risks and charges on "Microfocus" and on clients projects, accentuated by the absence of problems identified on the 2021 projects, (3) the increase in other operating income with an amount of 4 million euros recognized for a higher recovery of expenses, (4) organic growth and (5) by the acquisitions made (+3.4 million euros). This growth is partially offset by a delay in turnover and a provision for additional costs on the “S/4 HANA” migration project (-1.5 million euros) for hospitals.

The NRB Group’s net result, in BGAAP, amounts to 40.8 million euros (i.e. an increase by 42% compared to the previous year).

The NRB sub-group contributes 51.5 million euros to the consolidated result, including 19.7 million euros in third-party interests.

Regarding the real estate subsidiaries and ESIF, there were no major events during 2021.

II.10 Governance report[1]

II.10.1 Composition of the bodies

II.10.1.1 The Executive Committee

Name	Function
Philippe Lallemand	Chairman - Chief Executive Officer
Benoît Verwilghen[1]	Vice-President - Chief Operating Officer Life
Cécile Flandre[2]	Member - Chief Financial Officer
Wilfried Neven[3]	Vice-President- Chief Customer Experience Officer
Nicolas Dumazy[3]	Member - Chief Strategy & Data Officer
Maryline Serafin[3]	Member - Chief Financial Officer
Benoît-Laurent Yerna	Member - Chief Risk Officer
Luc Kranzen	Member - Chief Claims & Delight Officer
Joris Laenen[3]	Member - Chief Investment & Life Officer
Izabella Molnar[4]	Member - Chief Digital & Transformation Officer

[1] Until 30/11/2021 • [2] Until 25/11/2021 • [3] As from 01/12/2021 • [4] As from 15/12/2021

1 Situation as of 31/12/2021

II.10.1.2 The Board of Directors

Name	Function
Myriam Van Varenbergh	Chair
Jacques Braggaar	Director
Marc Descheemaecker	Director
Kathleen Desmedt	Director
Philippe Donnay[5]	(Independent) Director
Olivier Henin	Director
Ingrid Loos	(Independent) Director
Claude Melen[6]	(Independent) Director
Marc Meurant	Director
Philip Neyt	Director
Anne-Marie Seeuws	(Independent) Director
Karl Van Borm	Director
Bruno van Lierde	(Independent) Director
Philippe Lallemand	Director
Benoît Verwilghen[1]	Director
Cécile Flandre[2]	Director
Wilfried Neven[3]	Director
Maryline Serafin[3]	Director
Benoît-Laurent Yerna	Director

[1] Until 30/11/2021 • [2] Until 25/11/2021 • [3] As from 01/12/2021 • [5] Until 22/10/2021 • [6] As from 25/11/2021

II.10.1.3 The Audit and Risk Committee

Name	Function
Bruno van Lierde	Chairman
Marc Descheemaecker	Member
Philippe Donnay[5]	Member
Ingrid Loos	Member
Claude Melen[6]	Member
Marc Meurant	Member

[5] Until 22/10/2021 • [6] As from 25/11/2021

II.10.1.4 The Appointments and Remuneration Committee

Name	Function
Myriam Van Varenbergh	Chair
Jacques Braggaar	Member
Olivier Henin	Member
Anne-Marie Seeuws	Member

II.10.1.5 The Statutory Auditor

PwC – Réviseurs d’entreprises SRL – Culliganlaan 5 – B-1831 Machelen

Represented by T. Meuleman, Accredited Auditor A01894 - Appointed for fiscal years 2020, 2021 and 2022.

II.10.2 External offices exercised by the leaders of the Group

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 members of the Executive Committee 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".

II.10.2.1 Directors of Ethias SA

Name	Company	Registered office	Field of activity	Office exercised
Braggaar Jacques	Mutualité Solidaris Mons-Wallonie picarde	rue du Fort 48 7800 Ath	Health insurance fund	Director
Descheemaecker Marc	GIMV (listed bonds and stocks)	Karel Oomsstraat 37 2018 Antwerpen	Investments	Director and member of the Audit & Risk Committee
	De Lijn	Motstraat 20 2800 Mechelen	Public transport	Chairman of the Board of Directors, member of the Audit & Risk Committee and member of the Appointments & Remuneration Committee
	European Investment Bank (listed bonds)	98-100 boulevard Konrad Adenauer L-2950 Luxembourg	Investments and credits	Director
	European Investment Fund	37b avenue J.F. Kennedy L-2968 Luxembourg	Investments and credits	Director
Henin Olivier	Fedimmo	Chaussée de Wavre 1945 1160 Bruxelles	Property management	Chairman of the Board of Directors
	Sabena Aerospace	Avenue E. Mounier 2 1200 Bruxelles	Aeronautical and space maintenance	Director and CFO
	Blueberry	Avenue E. Mounier 2 1200 Bruxelles	Financial holding	Director and CFO
	SABCA	Chaussée de Haecht 1470 1130 Bruxelles	Engeneering	Director
	Dôme Invest	Rue des Olympiades 2 6000 Charleroi	Financial holding	Independent director
	Stemme Belgium	Rue Capt. Aviateur Jacquet 44 5020 Namur	Aeronautics	Independent director
Loos Ingrid	Universiteit Antwerpen	Prinsstraat 13 2000 Antwerpen	Education	Director
Meurant Marc	Smart Plan	Rue de Linthout 120 1040 Bruxelles	Insurance intermediation and brokerage	Chairman of the Board of Directors
	M.M.H.	Boulevard A. de Fontaine 15 6000 Charleroi	Insurance	Executive Director
	Bessonnat	Rue Jean Piret 1B L-2350 Luxembourg	Financial holding	Chairman of the Board of Directors
	Scottish Widows Europe	Avenue du Bois 1 L-1251 Luxembourg	Insurance	Director, chairman of the Audit & Risk Committee
	AMIFOR	Galerie du Centre 1000 Bruxelles	Insurance	Chairman of the Board of Directors
	CPH Life	Rue Perdue 7 7500 Tournai	Insurance	Director
	The Ring Ring Company	Culliganlaan 2/F 1831 Diegem	Communication	Director
Neyt Philip	Curalia	Rue Archimède 61 1000 Bruxelles	Insurance	Director
	Ghelamco Invest (listed bonds)	Zwaanhofweg 10 8900 Ieper	Real estate investments	Director
Van Lierde Bruno	Sopartec	Place de l'université 1 1348 Louvain-la-Neuve	Investments	Chairman of the Board of Directors, chairman of the Appointments & Remuneration Committee
	Tempora	Rue des Anciens Etangs 44-46 1170 Bruxelles	Design and management of exhibitions and cultural sites	Chairman of the Board of Directors
	Buy Way	Rue de l'Evêque 26 1000 Bruxelles	Credits	Chairman of the Board of Directors, chairman of the Appointments & Remuneration Committee
	Cliniques de l'Europe	Avenue Defré 2016 1180 Bruxelles	Hospitals	Chairman of the Board of Directors, chairman of the Appointments & Remuneration Committee
	Univercells	Rue Auguste Piccard 48, 6041 Charleroi	Pharmaceuticals	Chairman of the Strategy Committee
	VIVES Inter University Fund	Place de l'université 1 1348 Louvain-la-Neuve	Investments	Director
	Lloyd's Insurance Company	Bastion Tower Etages 13&14	Insurance	Chairman of the Board of Directors, member of the Audit & Risk Committee and chairman ofthe Appointments & Remuneration Committee
Melen Claude	Brussels South Charleroi Airport	Rue des Frères Wright 8 6041 Charleroi	Airport	Director, chairman of the Audit & Risk Committee

II.10.2.2 Effective leaders of Ethias SA

Name	Company	Registered office	Field of activity	Office exercised
Lallemand Philippe	Safran Aero Boosters (listed bonds and stocks)	route de Liers 121 4041 Herstal	Aircraft and space construction	Director
	Assuralia	Square de Meeûs 29 1000 Bruxelles	Insurance	Member of the Executive Committee and Director
Neven Wilfried	Xior Student Housing (listed stocks)	Mechelsesteenweg 34 2018 Antwerpen	Real estate	Independent director
	Euresa	Rue Royale 151 1210 Bruxelles	Insurance	Director
Dumazy Nicolas	Noshaq	Rue Lambert Lombard 3 4000 Liège	Investments	Director
Kranzen Luc	Euresa	Rue Royale 151 1210 Bruxelles	Insurance	Director
Laenen Joris	GIMV Health & Care	Karel Oomsstraat 37 2018 Antwerpen	Investments	Director
Molnar Izabella	IME Services & Consulting	Everbergstraat 72 3071 Erps-Kwerps	Services and advice to businesses	Statutory manager

II.10.3 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 five non-executive directors, amongst whom three independent directors.

The Audit and Risk Committee is chaired by Bruno van Lierde and is also composed of Ingrid Loos, Marc Descheemaecker, Marc Meurant and Claude Melen.

Mr. van Lierde is a graduate in law and economics (UC Louvain), and has completed the Stanford Executive Programme. He has extensive experience in financial services, having advised, as Senior Partner and Managing Director of the Boston Consulting Group, the general management of banks and insurance companies on strategy, mergers and acquisitions, organization, major change and performance improvement programmes. He is chairman of the Board of Directors of Buy Way, Inventures II SDG Growth Fund, Lloyd's Insurance Company, Sopartec, Tempora, as well as the non-profit organizations “Cliniques de l'Europe”, “H. Uni” and “SOS Children's Village” (Belgium). He is also a board member of NRB, Ring Ring and Vives Inter University Fund, managing director of SMA and chairman of the Strategic Committee of Univercells. He is Professor of Strategy at the Solvay Brussels School of Economics and Management. Mr. Van Lierde also meets the independence criteria set out in article 15 §1 of the law of March 13, 2016 on the status and supervision of insurance or reinsurance undertakings.

Ms. Loos holds a degree in applied economics, a master in economics and a master in change management (Sioo - University of Utrecht-Amsterdam). She has made a career in the financial sector by holding senior positions in credit granting, financial engineering, risk management and internal audit. She was Secretary-General of the Fortis Group. She was also a director at PwC Belgium Advisory, where she was involved in corporate governance issues. Ms. Loos is also an independent member of the audit committee of the "Groep Stad Antwerpen" (City of Antwerp) and a director of the University of Antwerp. She also meets the independence criteria set out in article 15, 94° of the law of March 13, 2016 on the status and supervision of insurance or reinsurance undertakings.

Mr. Descheemaecker has a degree in applied economics and a post-graduate degree in European Economic Studies. He was executive vice-president of the ISS Group, managing director of ISS Belgium, Director of Vitrufin (liquidated on 25/10/2019), chairman of the board of directors of Brussels Airport Company and managing director, director and chairman of the SNCB/NMBS Audit Committee. He is currently chairman of the board of directors of De Lijn and director of the EIB, EIF and GIMV.

Mr. Meurant is a civil engineer in applied mathematics and has a degree in actuarial sciences. He has acquired a solid experience in the insurance world, having been a member of the executive committee and then CEO of Winterthur-Europe Assurances for Belgium and Luxembourg. He was then CEO of CPH Life where he led, among other things, the implementation of the SII regulation. He was also a director of BBL Life and BBL Insurance, Touring Assurances, Atelia, Verheyen, Winterhur Czech Republic and a member of the Executive Committee of Assuralia. Mr. Meurant is also currently chairman of the Board of Directors of Amifor, Smart Plan and Bessonnat, risk manager and executive director of M.M.H., director of CPH Life and The Ring Ring Company, and director and chairman of the Audit and Risk Committee of Scottish Widows Europe.

Ms. Melen holds a licentiate in management sciences and has completed additional training in Analysis, Controlling and Auditing. She is currently director and chairman of the Audit Committee of Brussels South Charleroi Airport and first auditor of the Belgian Court of Audit. She also meets the independence criteria set out in article 15, 94° of the law of March 13, 2016 on the status and supervision of insurance or reinsurance undertakings.

II.10.4 Justification for the competence of the members of the Appointments and Remuneration Committee of Ethias SA

The Appointments and Remuneration Committee is composed of four non-executive directors. It is chaired by Myriam Van Varenbergh, Chair of the Board of Directors, and is also composed of Anne-Marie Seeuws, Jacques Braggaar and Olivier Henin.

Ms. Van Varenbergh holds a law degree, a specialization in tax law and an additional degree in corporate law, as well as a degree in forensic medicine. She also briefly followed studies in the United States. Ms. Van Varenbergh has been a Board member of NRB NV and the LUCA School of Arts for several years. She was a member of the Superior Council of Justice, of the Notary Nomination Commission and of the Flemish Council for Electoral Disputes. She was chair of the Council for Equal Opportunities between Men and Women, a board member of the Flemish Regulator for the Media, of Fluidda NV, of Vandenbussche NV, etc. She was also a board member / member of the executive committee of Vitrufin (liquidated on 25/10/2019).

Ms. Seeuws has a degree in applied economics. She has acquired solid experience in the insurance world, having been a director-member of the executive committee of Baloise Insurance, a director of Euromex Insurance, a director-member and then chair of the executive committee of Nateus Life Insurance, Nateus Insurance, Audi Insurance and a director of Nateus Netherlands and Korfina Insurance. She also meets the independence criteria set out in article 15, 94° of the law of March 13, 2016 on the status and supervision of insurance or reinsurance undertakings.

Mr. Braggaar holds a bachelor's degree in law and master's degree in criminology. He held the position of Head of HR-Budget in various ministerial offices. He was Deputy Secretary General, member of the French-speaking and National Management Committee of UNMS, where he was in charge of human resources management of the Directorate-General, and director of several non-profit associations linked to mutual organizations. He was also a director and member of Sowaer's Nomination and Remuneration Committee. He held the position of Secretary General of Fonsoc PS and was Government Commissioner for Wallimage SA and Wallimage Entreprises. He is currently Political Secretary of the PS group in the Senate and is a director of Solidaris. Mr. Braggaar has a thorough knowledge of Ethias, having been a director of SMAP, then of Ethias Droit Commun (now EthiasCo) and of Vitrufin (liquidated on 25/10/2019).

Mr. Henin is licensed in law and holds a DEA in economic law. He was Cabinet Director of various Ministers, director of the European Investment Bank, representative of the Minister of Finance on the NBB's Council of Regency, government commissioner on the Board of Directors of the Deposit and Financial Instrument Protection Fund, CFO of the SNCB/NMBS, director of Thi Factory, Eurogare, Lineas and Brussels Airport Company. He is currently chairman of the board of Fedimmo, vice-chairman of the SFPI, director and CFO of Sabena Aerospace and of Blueberry, director of SABCA independent director of Dôme Invest and of Stemme Belgium. Mr. Henin is also chairman of the board of directors of EthiasCo.

III CONSOLIDATED FINANCIAL STATEMENTS

III.1 Consolidated balance sheet

In thousands of euros	Note	31 December 2021	31 December 2020
Goodwill	**V.1**	**74,079**	**71,593**
Other intangible assets	**V.2**	**111,764**	**114,046**
Operational buildings and other tangible fixed assets	**V.3**	**43,403**	**80,947**
Right-of-use of assets	**V.4**	**62,341**	**34,873**
Investments in associated companies	**V.5**	**57,494**	**26,156**
Investment properties	**V.3**	**459,477**	**490,742**
Financial assets available for sale		15,959,804	16,146,534
Financial assets at fair value through profit and loss		448,907	438,743
Loans, deposits and other financial investments recognized at amortized cost		884,905	646,262
Derivative financial instruments	V.7	25,852	29,663
Investments belonging to unit-linked insurance contracts		1,778,054	1,491,140
Financial investments	**V.6**	**19,097,522**	**18,752,343**
Reinsurers' share of technical provisions	**V.14**	**225,730**	**157,602**
Deferred tax assets	**V.8**	**234**	**234**
Receivables arising from insurance operations or accepted reinsurance	**V.9**	**198,641**	**217,848**
Receivables arising from ceded reinsurance operations	**V.9**	**113,722**	**124,132**
Other receivables	**V.9**	**238,274**	**171,669**
Any other assets	**V.10**	**48,366**	**47,633**
Cash and cash equivalents	**V.11**	**455,300**	**531,744**
Assets available for sale including assets from discontinued operations	**V.12**	**-**	**18,868**
Total assets		**21,186,346**	**20,840,431**

In thousands of euros	Note	31 December 2021	31 December 2020
Share capital		1,000,000	1,000,000
Reserves and retained earnings		1,296,346	1,197,489
Net profit (loss) of the period		188,970	207,672
Other items of comprehensive income		524,236	599,117
Equity of the Group		**3,009,552**	**3,004,278**
Non-controlling interests		**73,950**	**69,453**
Total equity	**V.13**	**3,083,503**	**3,073,731**
Insurance contract liabilities		9,038,974	9,067,276
Investment contract liabilities with discretionary participation features		4,899,693	4,997,580
Investment contract liabilities without discretionary participation features		3,244	3,227
Liabilities belonging to unit-linked insurance contracts		1,778,054	1,491,140
Profit sharing liabilities		43,099	39,666
Insurance and investment contract liabilities	**V.14**	**15,763,065**	**15,598,890**
Subordinated debts	**V.15**	**491,107**	**487,694**
Lease obligations due in more than one year	**V.15**	**42,680**	**21,794**
Lease obligations due in less than one year	**V.15**	**18,832**	**13,285**
Other financial debts	**V.15**	**771,577**	**685,061**
Employee benefits	**V.16**	**243,268**	**285,032**
Provisions	**V.17**	**24,401**	**27,967**
Derivative financial instruments	**V.7**	**123,259**	**925**
Tax liabilities payable	**V.18**	**56,051**	**32,589**
Deferred tax liabilities	**V.8**	**37,730**	**87,295**
Liabilities from operating activities	**V.18**	**257,593**	**283,426**
Other payables	**V.18**	**273,283**	**242,742**
Liabilities related to assets available for sale and discontinued operations	**V.12**	**-**	**-**
Total other liabilities		**18,102,844**	**17,766,700**
Total liabilities		**21,186,346**	**20,840,431**

The statements and notes of chapters III. to VI. form an integral part of the consolidated financial IFRS statements as at 31 December 2021.

III.2 Consolidated income statement

In thousands of euros	Notes	31 December 2021	31 December 2020
Gross premiums	VI.1	2,766,869	2,720,187
Premiums ceded to reinsurers	VI.3	(40,556)	(39,340)
Change in the provision for unearned premiums and outstanding risks (a)		230	(3,498)
Other income from insurance activities		4,404	5,307
Revenues from insurance activities (a)	**VI.1**	**2,730,947**	**2,682,655**
Revenues from other activities	**VI.4**	**522,519**	**347,846**
Net income from investments		395,005	387,108
Net realized gains or losses on investments		83,679	22,036
Change in fair value of investments through profit and loss (b)		143,296	29,456
Net financial income	**VI.5**	**621,980**	**438,600**
NET REVENUES		**3,875,445**	**3,469,101**
Claims and insurance benefits		2,867,394	2,505,959
Net expenses or revenues ceded to reinsurers	VI.3	(116,688)	(23,975)
Management costs (c)		326,181	314,557
Technical expenses for insurance activities	**VI.2**	**3,076,887**	**2,796,541**
Expenses for other activities	**VI.4**	**494,225**	**324,818**
Change in depreciation and amortization on investments (net)	VI.5	13,246	7,560
Other investment financial expenses	VI.5	18,363	16,289
Finance costs	VI.6	27,810	28,854
Financial and financing expenses		**59,419**	**52,702**
NET EXPENSES		**3,630,532**	**3,174,061**
Goodwill impairment		-	-
NET PROFIT (LOSS) BEFORE TAX		**244,914**	**295,040**
Income taxes	VI.9	(35,322)	(71,046)
NET PROFIT (LOSS) AFTER TAX		**209,592**	**223,994**
Share of the associated companies in the result		(430)	(769)
Net profit (loss) from discontinued operations		-	-
Net consolidated profit (loss)		**209,162**	**223,225**
Group's share		188,970	207,672
Non-controlling interests		20,192	15,553

a) Net of reinsurance
b) Including change in fair value of investments of which the financial risk is supported by the insured
c) Including contract acquisition costs, administration costs, internal claim handling costs and other technical expenses

III.3 Statement of consolidated comprehensive income

In thousands of euros	31 December 2021	31 December 2020
NET CONSOLIDATED PROFIT (LOSS)	**209,162**	**223,225**
Actuarial gains and losses on defined benefit pension liabilities	34,601	(25,029)
Tax	(8,650)	6,257
Items that will not be reclassified to the income statement	**25,951**	**(18,772)**
Change in fair value of financial assets available for sale	(128,893)	200,242
Change in fair value of derivative instruments designated as cash flow hedges	(30,925)	(28,656)
Tax	58,985	(44,221)
Items likely to be reclassified to the income statement	**(100,833)**	**127,366**
TOTAL OF OTHER ITEMS OF COMPREHENSIVE INCOME OF THE FINANCIAL YEAR	**(74,882)**	**108,594**
NET CONSOLIDATED COMPREHENSIVE INCOME ATTRIBUTABLE TO:	**134,280**	**331,819**
Group's share	114,089	316,266
Non-controlling interests	20,192	15,553

III.4 Consolidated cash flows statement

In thousands of euros	Notes	31 December 2021	31 December 2020
Net profit (loss) before tax (Total 1)		**244,914**	**295,040**
Depreciations and impairments on intangible and tangible assets	V.2, V.3, V.4	50,596	55,976
Change in depreciations on financial instruments and investment properties	V.3, V.6, VI.5	13,246	7,560
Change in fair value on investments through profit or loss	V.6, VI.5	(143,296)	(29,456)
Provisions for risks and expenses, and other liabilities	V.17, VI.7	5,446	(15,264)
Change in provisions of insurance and investments contracts	V.14	538,081	182,667
Deduction of amounts included in the current result before tax for inclusion in the actual cash flows		(404,165)	(344,945)
Corrections of the amounts that do not impact cash flows (Total 2)		**59,907**	**(143,461)**
Dividends and instalments on earned dividends		40,303	21,030
Earned financial income	VI.5	366,371	388,444
Use of provision for employee benefits		(15,205)	(20,786)
Change in current receivables and debts	V.9, V.18	23,440	(34,210)
Change in liabilities from insurance and investments contracts	V.14	5,298	(308)
Tax paid		(46,258)	(31,384)
Other changes (Total 3)		**373,949**	**322,785**
Net cash flows from operating activities (Total 1+2+3)		**678,770**	**474,364**
Shares in subsidiaries, net of acquired cash in hand	IV.3.1	(53,254)	(32,100)
Acquisitions of financial assets and investment properties	V.3, V.6	(4,588,799)	(3,703,852)
Acquisitions of intangible and tangible fixed assets	V.2, V.3, V.4	(66,221)	(41,393)
Disposals of shares in subsidiaries, net of transferred cash	IV.3.2	20,860	675
Disposals of financial assets and investment properties	V.3, V.6	3,921,908	3,021,387
Disposals of intangible and tangible fixed assets	V.2, V.3, V.4	40,493	3,812
Net cash flows from investing activities		**(725,012)**	**(751,472)**

In thousands of euros	Notes	31 December 2021	31 December 2020
Subscription to capital increase		4	-
Capital refund		-	-
Dividends paid by the parent company		(103,000)	-
Dividends paid to third parties		(7,365)	(5,775)
Issues of financial liabilities	V.15	97	8,347
Refund of financial liabilities	V.15	(17,245)	(13,708)
Interests paid on financial liabilities	VI.6	(25,071)	(26,438)
Issuance of lease obligations	V.15	37,078	15,151
Reimbursement of lease obligations	V.15	(19,591)	(16,029)
Interest paid on lease obligations	VI.6	(408)	(699)
Net cash flows from financing activities		**(135,501)**	**(39,150)**
Total cash flows		**(181,743)**	**(316,258)**
Cash or cash equivalents at the beginning of the period	**V.11**	**(90,464)**	**216,982**
Cash or cash equivalents at the end of the period	**V.11**	**(271,027)**	**(90,464)**
Change in the cash accounts		(181,743)	(316,258)
Impacts of exchange rate differences of foreign currency and of other transactions		(10)	6,873
Changes in accrued interests not yet due on cash equivalents		1,190	1,939
Change in cash		**(180,563)**	**(307,446)**

The line "Deduction of amounts included in the current result before tax for inclusion in the actual cash flows" mainly includes dividends and financial income received that are recognized in the income statement.

III.5 Consolidated statement of changes in equity

	2021						
In thousands of euros	Subscribed capital	Result carried forward	Unrealized gains and losses	Others	Equity of the Group	Non-controlling interests	Total equity
Equity as of 1 January	**1,000,000**	**1,405,161**	**602,804**	**(3,686)**	**3,004,278**	**69,453**	**3,073,731**
Net consolidated profit (loss)	-	188,970	-	-	188,970	20,192	209,162
Total of other items of comprehensive income of the financial year	-	-	(77,789)	2,907	(74,882)	-	(74,882)
Other movements	-	-	-	-	-	-	-
Net consolidated comprehensive income	**-**	**188,970**	**(77,789)**	**2,907**	**114,089**	**20,192**	**134,280**
Capital movements	-	-	-	-	-	4	4
Dividends	-	(103,000)	-	-	(103,000)	(7,365)	(110,365)
Change in the consolidation scope	-	(6,156)	-	-	(6,156)	(7,991)	(14,148)
Other movements	-	342	-	-	342	(342)	-
Equity as of 31 December	**1,000,000**	**1,485,317**	**525,014**	**(779)**	**3,009,552**	**73,950**	**3,083,503**

In thousands of euros	Subscribed capital	Result carried forward	Unrealized gains and losses	Others	Equity of the Group	Non-controlling interests	Total equity
				2020			
Equity as of 1 January	**1,000,000**	**1,197,212**	**464,881**	**25,642**	**2,687,735**	**65,374**	**2,753,109**
Net consolidated profit (loss)	-	207,672	-	-	207,672	15,553	223,225
Total of other items of comprehensive income of the financial year	-	-	137,923	(29,329)	108,594	-	108,594
Other movements	-	-	-	-	-	-	-
Net consolidated comprehensive income	**-**	**207,672**	**137,923**	**(29,329)**	**316,266**	**15,553**	**331,819**
Capital movements	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(5,775)	(5,775)
Change in the consolidation scope	-	277	-	-	277	(5,700)	(5,423)
Other movements	-	-	-	-	-	-	-
Equity as of 31 December	**1,000,000**	**1,405,161**	**602,804**	**(3,686)**	**3,004,278**	**69,453**	**3,073,731**

The column "Unrealized gains and losses" shows, after application of shadow accounting, the net change in unrealized gain or loss recognized on available-for-sale assets, as well as the related deferred taxes.

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

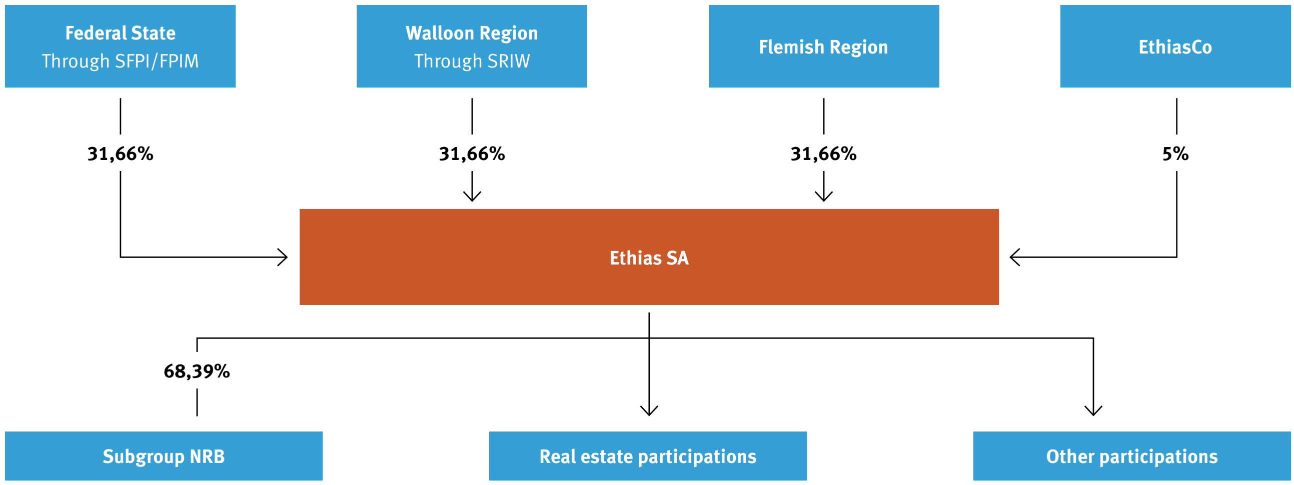
The dividends distributed in 2021 are mainly composed of the dividend paid by Ethias SA to its shareholders (103 million euros) and the dividends distributed outside the Group (7.4 million euros), mainly by the NRB sub-group.

In 2021, the line "Change in scope" includes a decrease in the Group's equity as a result of changes in percentage of Computerland and Air Properties. Minority interests are also impacted by these changes as well as by the integration of PDP and SDP in the consolidation. In 2020, the line "Change in scope" includes an increase in the Group's equity following the change in Xperthis SA's percentage resulting from the intra-group transfer of participating interests in the latter. Minority interests are also impacted by this change as well as by the integration of People & Technology, the Computerland group, Infohos, the Prodata group and Trigone in the consolidation.

IV GENERAL INFORMATION

IV.1 Legal structure

Its legal structure is as follows:



Ethias SA centralizes all Life and Non-Life insurance activities.

Ethias SA is held by the Federal State through SFPI-FPIM, by the Walloon Region through SRIW, by the Flemish Region and by EthiasCo (historical shareholder).

It is also the shareholder of several companies in the group, including Ethias Services (a service company specializing in pension insurance in particular), NRB (IT company), IMA Benelux (service company specializing in assistance), Green4You (installation and maintenance of renewable energy production equipment) and various real estate subsidiaries.

The main purpose of **EthiasCo** is the holding and management of participating interests. Among these, the most important ones are Ethias SA, Socofe and VEH (both active in the energy sector).

IV.2 Consolidation scope

IV.2.1 List of the consolidated subsidiaries

	31 December 2021					31 December 2020		
	Country	Sector	Currency	Integration percentage	Control percentage	Integration percentage	Control percentage	Change in scope
Consolidating company :								
Ethias S.A.	Belgium	Insurance	EUR	100.00%	100.00%	100.00%	100.00%	
Consolidated companies with 100 % consolidation :								
Real estate subsidiaries								
Air Properties	Luxembourg	Real estate	EUR	64.56%	64.56%	51.00%	51.00%	Change in percentage
Ankaret Invest	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Ariane Real Estate	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Bora	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Archeion	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Dockx Jan	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Ethias Patrimoine	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Foncière du Berlaymont	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Real Goed Invest	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Het Gehucht	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Immo Hofveld	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Immovivegnis	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	

	Country	Sector	Currency	31 December 2021 Integration percentage	31 December 2021 Control percentage	31 December 2020 Integration percentage	31 December 2020 Control percentage	Change in scope
Koala	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Les Hauts prés	Belgium	Real estate	EUR	0.00%	0.00%	100.00%	100.00%	Cession
Lothian Developments IV	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Naos	Luxembourg	Real estate	EUR	67.00%	67.00%	67.00%	67.00%	
Sagitta	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
UP 38	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Veran Real Estate	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
NRB Group								
Adinfo	Belgium	IT	EUR	34.88%	51.00%	34.88%	51.00%	
Afelio	Belgium	IT	EUR	68.39%	100.00%	68.37%	100.00%	
Altair	Belgium	IT	EUR	68.39%	100.00%	53.39%	100.00%	Change in percentage
Athena Informatic	Belgium	IT	EUR	68.39%	100.00%	53.39%	100.00%	Change in percentage
B-data	Belgium	IT	EUR	34.88%	51.00%	34.88%	51.00%	
Cevi	Belgium	IT	EUR	34.88%	100.00%	34.88%	100.00%	
Computerland	Belgium	IT	EUR	68.39%	100.00%	53.38%	78.06%	Change in percentage
Civadis	Belgium	IT	EUR	34.88%	100.00%	34.88%	100.00%	
Infohos	Belgium	IT	EUR	49.24%	90.00%	49.24%	90.00%	
Logins	Belgium	IT	EUR	34.88%	100.00%	34.88%	100.00%	
NRB	Belgium	IT	EUR	68.39%	68.39%	68.39%	68.39%	
Orda's	Belgium	IT	EUR	68.39%	100.00%	53.39%	100.00%	Change in percentage
PDP	Belgium	IT	EUR	34.88%	100.00%	0.00%	0.00%	Acquisition by Cevi
People & Technology	Belgium	IT	EUR	68.39%	100.00%	68.39%	100.00%	
Prodata Systems	Belgium	IT	EUR	34.88%	100.00%	34.88%	100.00%	
Prodata Xpert	Belgium	IT	EUR	0.00%	0.00%	34.88%	100.00%	Absorbed by Prodata Systems
SDP	Belgium	IT	EUR	34.88%	100.00%	0.00%	0.00%	Acquisition via PDP
SLM	Belgium	IT	EUR	68.39%	100.00%	53.39%	100.00%	Change in percentage
Siggis	Belgium	IT	EUR	34.88%	100.00%	34.88%	100.00%	
Trasys International G.E.I.E.	Belgium	IT	EUR	0.00%	0.00%	68.39%	100.00%	Absorbed by NRB
Trasys Luxembourg	Luxembourg	IT	EUR	68.39%	100.00%	68.39%	100.00%	
Trigone Informatique	France	IT	EUR	68.39%	100.00%	68.39%	100.00%	
Ucon	Belgium	IT	EUR	0.00%	0.00%	68.39%	100.00%	Absorbed by NRB
Xperthis	Belgium	IT	EUR	49.24%	100.00%	49.24%	100.00%	
Xperthis Group	Belgium	IT	EUR	54.71%	80.00%	54.71%	80.00%	
Others								
Ethias Sustainable Invest. Fund - Global Equities	Belgium	Other	EUR	100.00%	100.00%	100.00%	100.00%	
Ethias Sustainable Invest. Fund - High Yield	Belgium	Other	EUR	100.00%	100.00%	100.00%	100.00%	
Ethias Services	Belgium	Other	EUR	99.90%	99.90%	99.90%	99.90%	

				31 December 2021		31 December 2020		
	Country	Sector	Currency	Integration percentage	Control percentage	Integration percentage	Control percentage	Change in scope
Associates and equity method :								
Real estate subsidiaries								
WLP Holding	Belgium	Real estate	EUR	50.00%	50.00%	50.00%	50.00%	
WLP I	Germany	Real estate	EUR	25.00%	25.00%	25.00%	25.00%	
WLP II	Belgium	Real estate	EUR	50.00%	50.00%	50.00%	50.00%	
WLP III	Belgium	Real estate	EUR	50.00%	50.00%	50.00%	50.00%	
WLP IV	Belgium	Real estate	EUR	50.00%	50.00%	0.00%	0.00%	Acquisition via WLP CVH
WLP VII	Belgium	Real estate	EUR	50.00%	50.00%	0.00%	0.00%	Acquisition via WLP CVH
WLP VIII	Belgium	Real estate	EUR	50.00%	50.00%	50.00%	50.00%	
WLP XI	England	Real estate	GBP	50.00%	50.00%	0.00%	0.00%	Acquisition via WLP CVH
WLP CVH	Belgium	Real estate	EUR	50.00%	50.00%	0.00%	0.00%	Acquisition by WLP Holding
WLP CV	Belgium	Real estate	EUR	50.00%	50.00%	0.00%	0.00%	Acquisition via WLP CVH
NRB Group								
BelgiumDC	Belgium	IT	EUR	34.19%	50.00%	34.19%	50.00%	
Together Services	Belgium	IT	EUR	34.19%	50.00%	0.00%	0.00%	Creation by NRB
Others								
IMA Benelux	Belgium	Other	EUR	33.00%	33.00%	33.00%	33.00%	
Green4You	Belgium	Other	EUR	26.00%	26.00%	0.00%	0.00%	Creation by Ethias SA

IV.3 Acquisitions and disposals of subsidiaries

IV.3.1 Assets and liabilities of companies acquired

In thousands of euros	31 December 2021	31 December 2020
Goodwill and other intangible assets	2,869	17,714
Investment properties	1,243	-
Financial investments	-	-
Reinsurers' share of technical provisions	-	-
Other assets and tangible fixed assets	7,187	35,141
Cash and cash equivalents	870	4,329
Insurance and investment contract liabilities	-	-
Financial debts	(705)	(15,350)
Provisions for risks and expenses	-	(102)
Other liabilities	(3,254)	(37,769)
Participating interests accounted for using the equity method	31,768	26,331
Non-controlling interests	7,991	5,700
Changes in equity following acquisitions	6,156	(277)
Net assets acquired	**54,124**	**35,718**
Less: Acquired cash in hand	(870)	(4,339)
Less: Badwill	-	722
Cash used for acquisitions	**53,254**	**32,100**

In 2020, Ethias SA acquired 33 % of the shares of IMA Benelux and 50% of the shares of WLP Holding. For its part, NRB, which is continuing its expansion and growth strategy, acquired 100 % of the shares in People & Technology, 78 % of the shares in Computerland, 90 % of the parts in Infohos, 51 % of the shares in B-data and 100% of the shares in Trigone. The net cash flow relating to the acquisitions of 2020 amounts to -1 million euros for IMA Benelux, -26 million euros for WLP Holding, -3.5 million euros for People & Technology, -3.9 million euros for Computerland, 1,4 million euros for Infohos, 1.4 million euros for B-data and -0.4 million euros for Trigone.

In 2021, NRB acquired an additional 22% of Computerland's shares, bringing its stake to 100%, and contributed 50% of Together Services' capital. In addition, NRB participated in the capital increase of Belgium DC. For its part, Cevi acquired 100% of the shares of PDP. For its part, Ethias contributed 26% of the capital of Green4You, acquired an additional 14% of the shares of Air Properties (bringing its stake to 65%), and paid an additional price relating to the acquisition of 67% of the shares of Naos in 2019. Finally, WLP Holding acquired 100% of the shares in WLP CVH. The net cash flow relating to the acquisitions of 2021 amounts -1.1 million euros for Computerland, -10.7 million euros for PDP, -0.1 million euros for Together Services, -0.3 million euros for Belgium DC, -0.1 million euros for Green4You, -8.4 million euros for Air Properties, -1.2 million euros for Naos and -31.3 million euros for WLP CVH.

IV.3.2 Assets and liabilities of divested companies

In thousands of euros	31 December 2021	31 December 2020
Intangible assets	-	-
Financial investments	16,984	2,843
Reinsurers' share of technical provisions	-	-
Any other assets	1,580	5
Cash and cash equivalents	590	245
Insurance and investment contract liabilities	-	-
Financial debts	(11,918)	-
Provisions for risks and expenses	-	-
Other liabilities	(1,077)	(36)
Net assets divested	**6,159**	**3,057**
Gain/(loss) on disposals, net of tax	15,291	(2,137)
Net cash received related to disposals without loss of control	-	-
Transferred cash	(590)	(245)
Cash received for disposals	**20,860**	**675**

The amounts presented above correspond to the disposals of Les Hauts Prés in December 2021 and of Vecquim in January 2020.

IV.4 Presentation of the NRB subgroup

The NRB sub-group, of which 68% is owned by Ethias, is as follows:

* Including branches in Greece, UK, Luxembourg and Spain

The tables below present the consolidated statement of financial position, income statement and statement of comprehensive income of the NRB sub-group, considered at 100%, in application of the IFRS standards.

The amounts shown under the heading "non-controlling interests" relate to the holders of interests in subsidiaries of the NRB subgroup that do not give control to NRB. They received a dividend of 3.9 million euros in 2021 and of 2.6 million euros in 2020. In addition, the holders of NRB interests not giving control to Ethias received a dividend of 3.2 million euros in both 2021 and 2020.

IV.4.1 Consolidated balance sheet

In thousands of euros	31 December 2021	31 December 2020
Goodwill	**80,127**	**76,492**
Other intangible assets	**14,461**	**16,593**
Operational buildings and other tangible fixed assets	**19,329**	**21,727**
Right-of-use of assets	**24,556**	**17,562**
Investments in associated companies	**998**	**628**
Investment properties	**-**	**-**
Financial assets available for sale	**50**	**210**
Financial assets at fair value through profit and loss	**23,587**	**22,938**
Loans, deposits and other financial investments recognized at amortized cost	**5,105**	**8,158**
Financial investments	**28,742**	**31,305**
Reinsurers' share of technical provisions	**-**	**-**
Deferred tax assets	**-**	**-**
Receivables arising from insurance operations or accepted reinsurance	**-**	**-**
Receivables arising from ceded reinsurance operations	**-**	**-**
Other receivables	**111,933**	**100,851**
Any other assets	**47,245**	**45,349**
Cash and cash equivalents	**63,304**	**37,552**
Assets available for sale including assets from discontinued operations	**-**	**-**
Total assets	**390,695**	**348,061**
Share capital	**16,837**	**16,837**
Reserves and retained earnings	**122,800**	**98,793**
Net profit (loss) of the period	**46,455**	**31,635**
Other items of comprehensive income	**2**	**2**
Equity of the Group	**186,093**	**147,267**
Non-controlling interests	**14,830**	**20,786**
Total equity	**200,923**	**168,052**
Insurance and investment contract liabilities	**-**	**-**
Subordinated debts	**-**	**-**
Lease obligations due in more than one year	**14,943**	**8,115**
Lease obligations due in less than one year	**9,728**	**9,640**
Other financial debts	**23,629**	**35,355**
Employee benefits	**2,175**	**1,693**
Provisions	**4,978**	**7,804**
Derivative financial instruments	**-**	**-**
Tax liabilities payable	**12,526**	**10,047**
Deferred tax liabilities	**610**	**662**
Liabilities from operating activities	**-**	**-**
Other payables	**121,183**	**106,693**
Liabilities related to assets available for sale and discontinued operations	**-**	**-**
Total other liabilities	**165,101**	**162,254**
Total liabilities	**390,695**	**348,061**

IV.4.2 Consolidated income statement

In thousands of euros	31 December 2021	31 December 2020
Revenues from insurance activities	**-**	**-**
Revenues from other activities	**530,349**	**435,508**
Net income from investments	817	983
Net realized gains or losses on investments	1,646	1,065
Change in fair value of investments through profit and loss (a)	(302)	(2,166)
Net financial income	**2,161**	**(117)**
NET REVENUES	**532,511**	**435,391**
Technical expenses for insurance activities	**-**	**-**
Expenses for other activities	**465,003**	**388,940**
Change in depreciation and amortization on investments (net)	160	-
Other investment financial expenses	826	725
Finance costs	602	959
Financial and financing expenses	**1,588**	**1,684**
NET EXPENSES	**466,592**	**390,624**
Goodwill impairment	-	-
NET PROFIT (LOSS) BEFORE TAX	**65,919**	**44,767**
Income taxes	(14,532)	(8,471)
NET PROFIT (LOSS) AFTER TAX	**51,387**	**36,296**
Share of the associated companies in the result	55	34
Net consolidated profit (loss)	**51,442**	**36,330**
Group's share	46,455	31,635
Non-controlling interests	4,987	4,695

a) Including change in fair value of investments of which the financial risk is supported by the insured.

IV.4.3 Statement of consolidated comprehensive income

In thousands of euros	31 December 2021	31 December 2020
NET CONSOLIDATED PROFIT (LOSS)	**51,442**	**36,330**
Actuarial gains and losses on defined benefit pension liabilities	-	-
Tax	-	-
Items that will not be reclassified to the income statement	**-**	**-**
Change in fair value of financial assets available for sale	-	-
Change in fair value of derivative instruments designated as cash flow hedges	-	-
Tax	-	-
Items likely to be reclassified to the income statement	**-**	**-**
TOTAL OF OTHER ITEMS OF COMPREHENSIVE INCOME OF THE FINANCIAL YEAR	**-**	**-**
NET CONSOLIDATED COMPREHENSIVE INCOME ATTRIBUTABLE TO:	**51,442**	**36,330**
Group's share	46,455	31,635
Non-controlling interests	4,987	4,695

IV.5 Summary of significant accounting principles

IV.5.1 Basis of preparation of the consolidated financial statements

IV.5.1.1 General principles

The consolidated financial statements of the Group are established on the basis of the IFRS reference document (International Financial Reporting Standards), as definitive, in force on 31 December 2021, and adopted by the European Union with effect as of that date.

The Group's consolidated financial statements are prepared on a going concern basis, with the Solvency II margin remaining relatively stable despite the COVID-19 crisis (178% at 31 December 2021 compared to 187% at 31 December 2020). They give an accurate image of the financial situation, the financial performances and the cash flows of the Group, based on relevant, reliable, comparable and understandable information. The accounts are presented in thousands of euros and are rounded to the nearest thousand.

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

IV.5.1.2 New standards, amendments and interpretations published and adopted since 1 January 2021

The following new standards and interpretations, applicable as from 1 January 2021, had no major incidence on the consolidated accounts of the Group:

- Amendments to IFRS 4;
- Amendments to IFRS 7;
- Amendments to IFRS 9. The “deferral option”, which allows the deferred application at the same time as IFRS 17, was used (see point IV.5.1.3);
- Amendments to IFRS 16;
- Amendments to IAS 39.

The impact of these amendments to IFRS on our consolidated financial statements at December 31, 2021 is not material.

IV.5.1.3 Future standards and interpretations

The Group has chosen to apply none of the new, revised or amended standards for which the IFRS leave the choice to anticipate or not their coming into force.

Furthermore, the Group has made an analysis of the standards and interpretations that will come into effect from January 1, 2022 onwards. The “deferral option”, which allows the deferred application of IFRS 9, at the same time as IFRS 17, was applied. In fact, the activities of Ethias and its subsidiaries meet the criteria of paragraph 20B of the amendment to IFRS 4 because they are mainly related to insurance. In this respect, management has assessed that the Group has not applied any previous version of IFRS 9 and, in accordance with paragraph 20D of the amendment to IFRS 4, the total book value of the Group's insurance-related liabilities for the year ended 31 December 2015, as required by the standard for a year ending before 01/04/2016, in relation to the total book value of all its liabilities amounts to 95%, which is more than 90%. In accordance with paragraph 20G of the amendment to IFRS 4, there has been no change in the Group's activities that would justify a revaluation.

Currently, the projects to implement IFRS 9 and IFRS 17 are ongoing.

To conclude, the Group follows the elaboration by the IASB of the main standards and interpretations that can have a significant impact on the accounts.

IFRS 17 - Insurance Contracts

On 17 March 2020, the Board of IASB decided to postpone the effective date to 1 January 2023. Earlier application is permitted for entities that, at the date of first-time adoption of IFRS 17, already apply or begin to apply IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers. Ethias will not make use of this early application option and will apply IFRS 9 and IFRS 17 as from financial years beginning on or after 1 January 2023. The process of adopting IFRS 17 is underway in the European Union. The version of the IFRS standard currently being adopted is the one that follows the IASB's of amendments of June 2020.

IFRS 17 will fundamentally change the accounting for all entities that issue insurance contracts and investment contracts with discretionary participation features (currently only Ethias SA).

The main change brought about by IFRS 17 is the introduction of a general model for measuring the profitability of insurance contracts called BBA, “Building Block Approach”. This model is based on a discounted estimate of future profits at the time of subscription of the insurance contracts grouped in annual cohorts. This estimate includes a risk adjustment to incorporate the uncertainty of future flows.

In the case of profitable contracts, this method is used to determine the Contractual Service Margin (CSM), which represents the estimate of future profits. This estimate of future profits will subsequently be taken into account in the income statement over time. In the case of unprofitable contracts, the expected loss will be taken into account at the time of subscription.

The IFRS 17 regulation also provides for 2 other valuation models for insurance contracts: a simplified model (PAA, Premium Allocation Approach) which can be used under certain conditions, among others for contracts with a term of one year or less, and a VFA model (Variable Fee Approach) for contracts with profit-sharing.

Through the application of the BBA and VFA valuation models, the recognition of current insurance income (premium) will be replaced by a recognition of income as the service is rendered.

As a corollary to the introduction of IFRS 17, the standard for the presentation of financial statements (IAS 1) will also be amended. This standard will change the way in which financial statements are presented by distinguishing insurance results (Insurance Revenue and Insurance Expense) from financial results related to insurance contracts.

IFRS 17 also provides for retrospective application of the standard to insurance contracts in force and to obligations arising from insurance contracts. The transition method depends on the availability of data and may influence the determination of the CSM of the current contracts (and therefore future insurance results) as well as the financial expense of the insurance contracts (and therefore future financial results).

IFRS 17 is a significant development in accounting valuation rules that will have a fundamental impact on the Group's methodology, processes, systems and reporting.

The IFRS 17 implementation project is still ongoing. The calculation tool acquired in 2020 has been implemented and end-to-end tests are being finalized.

IFRS 9 - Financial instruments

As noted above, the group meets the specific criteria for the temporary exemption offered to insurers to defer the application of IFRS 9.

In this context, IFRS 4 requires the presentation of certain information relating to assets classified as SPPI (“solely payments of principal and interest”).

Changes in the fair value of financial instruments classified as "SPPI" with respect to all the financial assets presented in point 6.2 of Chapter ***V. Notes to the consolidated balance sheet*** are set out below:

	2021		
In thousands of euros	Amortized cost	Fair value through other items of comprehensive income	Total
Opening balance on 1 January	**884,766**	**14,980,347**	**15,865,113**
Acquisitions	792,040	1,569,696	2,361,736
Profits and losses realized on hedging instruments not yet transferred to profit or loss	-	(24,280)	(24,280)
Disposals and reimbursements	(109,498)	(1,725,931)	(1,835,429)
Foreign currency translation differences on monetary assets	-	-	-
Adjustment at fair value	(94,495)	(623,860)	(718,356)
Amortizations	(6,674)	(25,734)	(32,408)
Changes in accrued interests not yet due	4,026	(121,424)	(117,398)
Impairments	80	-	80
Other changes	2,114,572	(2,114,572)	-
Net book value on 31 December	**3,584,817**	**11,914,241**	**15,499,058**

	2020		
In thousands of euros	Amortized cost	Fair value through other items of comprehensive income	Total
Opening balance on 1 January	**744,743**	**13,882,226**	**14,626,969**
Acquisitions	60,900	2,245,478	2,306,378
Profits and losses realized on hedging instruments not yet transferred to profit or loss	-	(59,102)	(59,102)
Disposals and reimbursements	(49,816)	(1,590,784)	(1,640,600)
Foreign currency translation differences on monetary assets	-	1	1
Adjustment at fair value	1,829	557,414	559,243
Amortizations	-	(48,797)	(48,797)
Changes in accrued interests not yet due	127,066	(5,639)	121,427
Impairments	44	(450)	(406)
Other changes	-	-	-
Net book value on 31 December	**884,766**	**14,980,347**	**15,865,113**

The fair value of financial assets classified as "SPPI" in accordance with IFRS 9 that are neither held for trading nor recognized on the basis of fair value (i.e. assets related to branch 23 contracts) amounts to 15,499 million euros at 31 December 2021 compared to 15,865 million euros at 31 December 2020. The increase is mainly due to reinvestments and the increase in fair value.

The item "Other changes" corresponds to the alignment carried out for the opening of the transitional year under IFRS9 on January 1, 2022 for the majority of first pillar contracts which will be accounted for at "amortized cost" (for the purpose of aligning the liabilities which will be treated under IFRS9).

In addition to this information, the bonds classified as SPPI, listed under the heading "Bonds and similar securities" in the table 4.6.4.2 of Chapter ***II. Report of the Board of Directors***, are detailed in the table below:

31 December 2021

In thousands of euros	AAA	AA	A	BBB	BB and below	No rating	Total
Bonds and similar securities	981,789	5,616,176	2,687,049	4,744,602	167,049	30,340	14,227,004

31 December 2020

In thousands of euros	AAA	AA	A	BBB	BB and below	No rating	Total
Bonds and similar securities	816,637	6,413,136	2,486,237	4,384,930	93,955	413,467	14,608,361

The fair value of financial assets that meet the SPPI criteria, which are not recognized in FVTPL and whose credit risk is not low, represents a maximum exposure of 197 million euros at 31/12/2021 under IFRS 9 (against 168 million euros at 31/12/2020) due to the downgrading of a number of securities.

This amount includes only bonds that are below "investment grade" or have no rating.

The rating used in this analysis is now an IFRS compliant rating that also takes into account our own internal rating changes.

It should be noted that the other SPPI assets not incorporated in the above table, which include mortgage loans as well as cash accounts, are assumed to have a low credit risk at 31/12/2021.

IV.5.2 Sector information

IFRS 8 - Operating Segments - requires the presentation of data relating to the Group's operating segments taken from internal reporting and used by the Management in its investment decisions and performance assessment. For the Group, the operating segments that meet the criteria of the standard correspond to the following segments: Individuals - Non-life, Individuals - Life, Public Bodies & Companies - Non-Life, Public Bodies & Companies - Life and Others.

IV.5.3 Consolidation principles and methods

The Group consolidates the entities of its scope by using the consolidation method according to the type of control it has on the entity.

The subsidiaries are the entities controlled by the Group.

The definition of control implies that an investor can have authority over another entity in various ways, not only through the power to direct the financial and operational policies. The investor has to evaluate if he has or not the rights allowing to direct the relevant activities of the other entity. Even if the exposure to risks and advantages is a control indicator, this is not the only element that is taken into account for the consolidation of all kinds of entities.

An investor controls an issuing entity if and only if all the elements below are combined:

(a) The investor has authority over the issuing entity.

(b) He is exposed or is entitled to variable yields because of his links with the issuing entity.

(c) He has the capacity to exert his authority over the issuing entity so as to influence the amount of the yields which he obtains.

The accounts of a subsidiary are integrated into the consolidated accounts of the Group as of the date on which the parent company acquires control over the subsidiary until the date on which it ceases to have this control.

Intragroup transactions, balances and gains and losses on transactions between the companies of the Group have been eliminated. Investments without control over the net assets and net income are shown separately in the balance sheet and the income statement. After the acquisition date, non-controlling investments include the amount estimated at the acquisition date and the share in equity changes since the acquisition date attributable to non-controlling investments.

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Interests in joint ventures are recognized in the consolidated accounts via the equity method.

Associated companies are entities over which the Group exerts a significant influence on the financial and operational policies without having control over these policies. The consolidated accounts incorporate the Group's share of the results of such companies using the equity method from the date on which the parent company acquires a significant influence until the date on which it ceases to have such influence. When the Group's share in losses of an associate equals or exceeds its interest in the associate, the Group's book value is reduced to nil and the Group's recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. The amount of the Group's interests in associated companies includes any goodwill (net of accumulated impairment) identified at the time of the acquisition.

IV.5.4 Business combinations

Business acquisitions are accounted for using the acquisition method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed (including contingent liabilities) at the date of transaction. The excess of the cost of acquisition over the fair value of the Group's share in the identifiable net assets acquired is recognized as goodwill. Acquisition-related costs are generally recognized through profit or loss when incurred.

The identifiable assets acquired and liabilities assumed are recognized at fair value at the acquisition date.

Non-controlling interests can be initially measured either at fair value or at the proportionate share of the minority interest in the acquiree's identifiable net assets. The choice of measurement is made on a transaction-by-transaction basis. The equity and net income attributable to the non-controlling interests are shown separately in the balance sheet and income statement respectively.

When the consideration which the Group transfers in exchange for the acquiree includes a variable part, the consideration is measured at fair value at the date of acquisition and is included as part of the consideration transferred in exchange for the acquiree within the frame of a business combination. Subsequent changes in the value of the consideration, if any, are recognized in profit or loss.

For associated companies, the goodwill is not separately recognized but integrated into the amount of investments in the associated companies. If the acquisition price is less than the fair value of the Group's share in the net assets of the subsidiary acquired, the difference is directly recognized through profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree that prior to the acquisition date have been recognized in the equity are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

When the Group conducts a business combination involving entities under joint control, the assets acquired and liabilities assumed are measured at book value such as existing in the accounts of the subsidiary prior to the business combination.

On the basis of the contractual rights and obligations of the parties involved, the Group has concluded that there are no joint undertakings as defined in IFRS 11 and that all the joint agreements concluded by the Group can be classified as joint ventures.

IV.5.5 Foreign currency translation and transactions

IV.5.5.1 Functional and reporting currency

The functional currency of the majority of the consolidated companies within the Group is the euro. The euro is also the Group's reporting currency.

For companies whose functional currency is not the euro, assets and liabilities are translated at the exchange rate applicable at the date of the statement of financial position, and the income statement is translated at the average exchange rate of the ongoing financial year. Exchange differences resulting from these translations are recognized through other items of comprehensive income.

IV.5.5.2 Translations of foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized through profit or loss.

Translation differences on non-monetary items measured at fair value through profit and loss are reported as part of the fair value gain or loss. Non-monetary items are translated when their fair value is determined. Translation differences on non-monetary items measured at fair value through the revaluation reserve are included in the revaluation reserve in equity.

IV.5.6 Intangible assets

IV.5.6.1 Goodwill

IV.5.6.1.1 Measurement

The goodwill, initially estimated at purchase price, represents the surplus part of the fair value of the consideration transferred with regard to:

- the Group's share in the identifiable net assets acquired and liabilities assumed, and
- the fair value of each interest previously held by the acquiree.

A negative revaluation (negative goodwill) is recognized directly through profit or loss.

Variations in the percentage of ownership in fully-consolidated companies are considered as transactions with shareholders. Therefore neither fair value adjustments nor goodwill adjustments are made whenever the percentage increases or decreases take place without any change in the consolidation method.

IV.5.6.1.2 Impairment

The carrying amount of goodwill is systematically reviewed each year. For this purpose, the Group allocates goodwill to cash generating units or groups of such units

Goodwill is written down for impairment when the recoverable amount of the cash generating unit or group to which it has been allocated is lower than the book value.

The recoverable amount is the highest amount between the fair value net of the selling costs and the value in use.

The value in use is the sum of the future cash flows that are expected to be derived from a cash generating unit. The expected future cash flows which the Group takes into account are derived from the financial multi-annual plan approved by the management.

The calculation of the value in use shall also reflect the time value of money (current market risk-free rate of interest) adjusted for the price for bearing the uncertainty inherent in the asset. This is reflected in the discount rate. The discount rate which the Group takes into account is the average cost of capital.

IV.5.6.2 Other intangible assets

Software and development costs are capitalized if they are related to investment projects, i.e. major projects that introduce or replace an important commercial objective or model.

Computer software and licences that have been purchased or internally generated for own use are stated at historical cost, less depreciation and any impairment losses.

Internally generated software and licence developments are only recognized as intangible fixed assets when the following conditions are met: identifiability criterion for the asset, control over the resource, likelihood of future economic profits and ability to reliably measure the cost.

Software developed by third parties, as well as internal and external development costs related to investment projects, are amortized on a straight-line basis over 5 years from the time the software or developments are available, while for central systems with a longer useful life, the period is 10 years.

Internal and external research expenses for these projects and all expenses for ICT projects other than investment projects are charged directly to the income statement. The acquisition of an insurance contract in a business combination or portfolio transfer is performed in accordance with paragraphs 31, 32 and 33 of IFRS4.

Other intangible assets with a finite useful life are amortised over their expected economic life.

Intangible fixed assets with an indefinite life are not amortized and are assessed for impairment in the same way as goodwill.

IV.5.7 Property and investment property

The Group recognizes property (held for investment or operating purposes) in accordance with the cost method.

Land and properties are recorded at acquisition value including purchase costs and taxes. This value is increased with further capitalizable expenses, net of depreciation and any impairment losses.

The properties and their various components are depreciated separately over their estimated useful life. The depreciable amount is net of their residual value if it can be reliably estimated.

When a building is made up of components with different useful lives, each component is depreciated separately over its estimated useful life. The Group has adopted the following components:

Components	Useful life
Land	Unrestricted
Structural work	Between 80 and 100 years
Roof	25 years
External woodwork	Between 30 and 40 years
Special techniques	20 years
Finishing	Between 10 and 15 years

The average useful life can be different depending on the type of property, the degree of completion or the construction period. The Group defines useful lives that generally should be used depending on the category to which the building belongs.

Borrowing costs directly attributable to the acquisition or construction of a property qualified under IAS 23 are part of the cost of that asset.

IV.5.8 Other tangible fixed assets

Tangible fixed assets include facilities, machinery and equipment, computer equipment, furniture and office equipment, as well as rolling stock. They are capitalized at their purchase or cost price, including incidental expenses. Depreciation is calculated on a straight line basis over their estimated useful lives, i.e. between 2 and 10 years. Furniture and office equipment whose acquisition value is negligible are supported.

IV.5.9 Financial investments

IV.5.9.1 Classification

Financial instruments are classified into the following categories:

- Financial assets available for sale at fair value, with changes in fair value recognized in equity. This category includes by default all other fixed maturity investments, shares, loans and receivables, which are not included in another class;
- Financial assets at fair value with changes in fair value

recorded through profit or loss. These assets are of two types: (i) investments held for trading are investments for which the management intention is to earn short-term profits; and (ii) financial assets designated optionally.

- Loans, deposits and receivables carried at amortized cost. This relates to assets for fixed or determinable payments that are not quoted in an active market; and
- Financial assets held to maturity, recorded at amortized cost. These assets include fixed-term investments for which the company has the explicit intention and capacity to hold them to maturity.

The fair value option of designating, upon entry, financial assets and liabilities at their fair value with changes in fair value through profit or loss, is used by the Group primarily in the following cases:

- financial assets for which the choice of the fair value option allows to reduce the accounting disparity;
- managed groups of financial assets whose performance is evaluated on a fair value basis; and
- hybrid instruments, for which the Group has opted not to separate the embedded derivative from the host contract.

IV.5.9.2 Reclassifications

Only the following reclassifications are allowed:

- A financial asset may, in exceptional circumstances, be reclassified out of the category of investments held for trading.
- A financial asset classified as available for sale may be reclassified out of the category of assets available for sale to: (i) the category of investments held to maturity when the intent or ability has changed or when the entity no longer has a reliable measurement of fair value; and (ii) the category of loans and receivables when the financial asset meets the definition of loans and receivables at the date of reclassification and when the entity has the intention and ability to hold the financial asset for a foreseeable period or until maturity.
- A financial asset classified as investments held to maturity may be reclassified as available for sale if the intention or ability of the entity has changed. If, within the two preceding years, the Group has reclassified or sold a substantial portion of its investment portfolio originally held to maturity, the Group can no longer classify investment into instruments held to maturity. Furthermore, in the case of sale or reclassification of a portion of these investments, the entire category of financial instruments held to maturity must be reclassified.

IV.5.9.3 Initial recognition

The Group recognizes financial assets when the contractual obligations of the contract are met. Purchases and sales of financial assets are recorded on the trade date.

Financial assets are initially designated at fair value plus, in the case of an asset that is not designated at fair value through profit or loss, transaction costs directly attributable to the acquisition. However, transaction costs are not included in the acquisition cost of financial assets since they are not significant.

Securities given under repurchases are maintained in assets in the balance sheet. Hence, the Group conducts repurchase transactions and securities lending.

These correspond to disposals of financial assets to a counterparty, accompanied by a simultaneous repurchase commitment for these financial assets on a set date and at a set price. To the extent that virtually all the risks and benefits related to financial assets are retained by the Group over the life of the transaction, the Group will continue to recognize the financial assets. The cash consideration received for the sale is recorded separately. Interest expense on repurchase agreements and securities lending transactions is recognized over the term of the contracts.

IV.5.9.4 Measurement

Financial assets available for sale, those held for trading, assets optionally designated at fair value through profit or loss and all derivative instruments are measured at fair value.

The fair value is the price at which an asset could be exchanged between knowledgeable negotiators against competitive market conditions. The Group applies the hierarchy for determining fair value under IAS 39 as explained in more detail in the note relating to the determination of the fair value of financial instruments.

Assets available for sale are carried at fair value and unrealized gains and losses are recorded under a separate heading of equity (through other items of comprehensive income), except the following elements which are recorded directly through profit or loss: interest calculated using the effective interest rate method, currency differences on monetary financial assets and impairment losses.

Financial assets held to maturity, unlisted shares for which fair value cannot be measured reliably, and loans and receivables are recorded at amortized cost or at historical cost. Amortized cost is the amount at which the asset was valued at initial recognition net of principal repayments, plus or minus accumulated amortization (depending on the effective interest rate) of differences between the initial amount and the maturity amount and adjusted for any impairment losses. The effective interest rate is the rate that exactly discounts the expected future cash flows over the expected lifetime or, where more appropriate, over a shorter period to obtain the net book value of the asset or financial liability. The value of financial assets includes accrued interest not yet due at the balance sheet date.

IV.5.9.5 Impairment

At each date of the financial statements, the Group looks for the existence of objective evidence of impairment among its investments available for sale or measured at amortized cost. By their accounting, financial assets at fair value through profit or loss are not subject to an impairment test.

A financial asset or group of financial assets has undergone an other-than-temporary impairment when there is objective evidence of impairment due to one or more events whose impact on the estimated future cash flows of the asset(s) can be measured reliably.

For available-for-sale assets, a significant or prolonged decline in the fair value of the security below its carrying value is an indication of impairment.

IV.5.9.5.1 Financial assets available for sale

Equities

A significant or prolonged decline in the fair value of the security is applied when:

- the security had already been impaired from a previous closing; or
- a loss in value of 50 % compared to the acquisition value is observed on the closing date of the accounts; or
- the stock was in a constant state of unrealized loss in relation to its acquisition value over the last 12 months preceding the close.

Bonds

Impairments are systematically applied to the bonds 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 these securities' market value 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:

Criteria for determining durable losses in value

- The insurance portfolio / separate management relating thereto;
- 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.

Revaluation reserve

If any such situation exists for financial assets available for sale, the cumulative loss determined as the difference between the acquisition cost and the current fair value is taken from the equity and is subject to an impairment through profit or loss. Losses in value on shares recorded through profit or loss are only included through profit or loss when the asset is sold or de-recognized.

IV.5.9.5.2 Financial liabilities valued at amortized cost

For investments valued at amortized cost, the amount of the impairment is equal to the difference between the net book value of the asset and the present value of expected future cash flows, determined using the original effective interest rate of the financial instrument and corrected for any provisions. The amount of the impairment is included in the net income of the accounting year. The impairment can be taken over in the result.

For assets recognized at amortized cost, including loans and investments classified as "assets held to maturity" or assets under the category "loans and receivables", the impairment test is first performed on a unitary basis. A collective test is then carried out for groups of assets with similar risks.

Some assets are subject to impairment given the economic circumstances, but without corresponding to any of the situations mentioned above. Thus, if under the risk management policy, a durable loss in value is identified, an impairment will be recognized according to the above terms.

IV.5.9.6 De-recognition

Financial assets are no longer recognized when the contractual rights expire or when the Group disposes the financial asset. Gains or losses on the disposal of financial investments are determined using the weighted average cost method.

In case of the disposal of securities, the realized gain or loss is recognized through profit or loss on the date of completion and represents the difference between the sales price and the net book value of the asset.

IV.5.10 Derivative financial instruments

Derivative financial instruments are initially recognized at fair value at the date of the contract's conclusion and are subsequently measured at fair value. All derivative financial instruments are recorded on the balance sheet (as assets when their fair value is positive and as liabilities when their fair value is negative). Unrealized gains and losses are recognized through profit or loss. In the case of derivative financial instruments held by the Group which are subject to a qualification as hedge accounting, the details of the accounting are mentioned below.

Embedded derivatives are components of compound instruments that meet the definition of a derivative. Depending on the choice for the fair value option, they are not separated from the host contract. Thus, the hybrid instrument, consisting of the host instrument and the derivative embedded in the contract, is measured at fair value with changes in fair value through profit or loss.

Hedge accounting

The Group designates certain derivative financial instruments as cash flow hedges.

At the time of establishing the hedge relationship, the entity prepares a documentation describing the relationship between the hedging instrument and the hedged item as well as its objectives of risk management and its strategy for undertaking various hedging transactions. Moreover, at the establishment of the hedging and periodically thereafter, the Group indicates whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

The effective portion of changes in fair value of derivative financial instruments that are designated as cash flow hedges is recognized in other items of comprehensive income and accumulated in the reserve for the hedging of cash flows. The gain or loss relating to the ineffective portion is recognized immediately in the net income.

The amounts previously recognized in other items of comprehensive income and accumulated in equity are reclassified to the net income in the periods when the hedged item affects the net income, under the same position as that of the hedged item.

Under IAS 39, there is a cessation of the hedging relationships when:

- the hedging instrument expires or is sold, terminated or exercised;
- the hedged forecast transaction, for cash flow hedging, is no longer highly probable;
- the hedge no longer meets the accounting criteria for hedging transactions;
- the entity alters or revokes the designation.

Any gain or loss recognized in other items of comprehensive income and accumulated in equity at that time is reclassified to the net income when the forecast transaction is ultimately recognized. When a forecast transaction is no longer expected to occur, the cumulative gain or loss in equity is recognized immediately in the net income.

IV.5.11 Reinsurance

IV.5.11.1 Disposals

Premiums, claims and technical reserves are stated before ceded reinsurance. The transferred quota share is included in the reinsurance result.

The reinsurers' share of technical provisions is subject to an impairment test at each balance. If there is objective evidence, as a result of an event that occurred after the initial recognition, that the provision for the reinsurer must be impaired, the Group reduces the book value of this asset accordingly and recognizes the resulting loss through profit or loss. When the reinsurance asset is guaranteed by securities received as collateral, the present value of future cash flows of the asset reflects the cash flows that may result from the realisation of pledged assets after deducting the costs of implementing this guarantee, whether the realisation is probable or not.

IV.5.11.2 Acceptances

The rules for reinsurance acceptance contracts are included in the section "Insurance and investment contracts liabilities".

IV.5.12 Receivables

Receivables more and less than one year are recognized initially at fair value and are subsequently measured at amortized cost net of any impairment. An impairment is recognized when the age of the receivable exceeds one year or when there is objective evidence that the Group will not be able to collect all amounts due in accordance with the original terms of the receivable.

When the settlement of a portion of the receivable cash flows is deferred, the amounts receivable in the future are discounted to their present value.

IV.5.13 Cash and cash equivalents

Cash includes cash on hand and demand deposits. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Regarding the cash flow table, cash and cash equivalents are presented net of bank overdrafts, debts incurred on repurchase operations and other financial debts.

IV.5.14 Equity

Equity includes, in addition to share capital and retained earnings in reserve, the portion of unrealized gains and losses on investments, net of tax, and the impact of shadow accounting, of which the change in fair value is not recognized in the income as well as other items of comprehensive income.

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other assets to the holders. Additional costs, net of tax, directly attributable to the issue of an equity instrument are deducted from the value of the equity instrument.

Financial instruments issued by the Group are classified as equity instruments if their consideration clauses provide the issuer with control over the interest payment date and if the instrument includes no contractual obligation to deliver cash or another financial asset to another entity.

Any financial instrument issued by the Group, comprising both an equity component and a debt instrument, is recognized separately in liabilities in the balance sheet, in which the equity component is reported as equity of the Group. Gains and losses associated with redemptions or refinancing of the equity component are presented as variations in equity.

When the Group buys back its own equity instruments, the amount paid, including any directly attributable incremental costs (net of taxes) is deducted from equity attributable to shareholders of the company until the shares are cancelled or "reissued".

Dividends and other distributions to shareholders are recognized directly in equity, net of tax. A debt corresponding to the amount of dividend not yet paid is not recognized as long as the dividend has not been declared and approved.

IV.5.15 Insurance and investment contract liabilities

IV.5.15.1 Classification

The Group issues contracts that cede an insurance risk or financial risk or both. Based on a review of each contract, the Group classifies its insurance and investment contract liabilities in four categories:

- Insurance contract liabilities
- Investment contract liabilities with discretionary participation features
- Investment contract liabilities without discretionary participation features
- Investment or insurance contract liabilities of which the financial risk is borne by the insured, i.e. corresponding to unit-linked contracts.

Insurance contracts, investment contracts with discretionary participation and reinsurance contracts are covered by IFRS 4 "Insurance Contracts", while investment contracts without discretionary participation are covered by IAS 39 "Financial instruments". Contracts that transfer neither an insurance risk nor a significant investment risk are covered by IFRS 15 "Revenue from Contracts with Customers", which calls for revenue recognition.

Insurance contracts, including reinsurance acceptances, are contracts with a significant insurance risk. These contracts can also cede a financial risk from the insured to the insurer. Investment contracts are contracts that carry a financial risk with no significant insurance risk.

IFRS 4 allows the separation of the deposit component ("savings") and the risk component ("insurance") of the contract. This separation or "unbundling" is permitted if the deposit component can be exploited regardless of the risk component.

Some insurance and investment contracts contain a discretionary participation clause. This element entitles the contract holder to receive additional benefits as a supplement to the guaranteed benefits:

- that normally account for a significant share of the contractual benefits;
- of which the amount and/or expiry date is contractually at the discretion of the Group;
- that are contractually based on the performance of a set of contracts, the investment returns of a portfolio of assets or the income of the Company, of a fund or other entity that issues the contract.

If a contract was initially recognized as an insurance contract, it cannot be reclassified as an investment contract even if the risk attached thereto becomes insignificant. Conversely, an investment contract whose characteristics change during the term of the contract, may, if the changes induce a significant insurance risk, be reclassified as insurance contracts.

IV.5.15.2 Measurement and recognition

In accordance with IFRS 4, the rules regarding recognition and de-recognition as described below are based on the accounting principles used by the Group prior to the adoption of the IFRS, with as main exception the elimination of the flashing-light provision and the equalization and catastrophe provisions.

The accounting principles applicable prior to the IFRS and which are still in force after the conversion have the following main characteristics:

- provisions must be sufficient;
- provisions are calculated with caution;
- Life insurance provisions may not be discounted using an interest rate higher than the prudently estimated return of the assets;
- acquisition costs are deferred to the extent they are recoverable, and amortized on the basis of estimated gross profits over the lifetime of the contracts;
- reserves for claims represent the ultimate estimated cost.

IV.5.15.2.1 Non-Life insurance contracts

The assessment of provisions for claims is based on the estimated value of foreseeable expenses net of any recoveries. The provision for claims outstanding includes the claims and capital due remaining to be paid at the end of the period. The provisions related to claims are generally not discounted, except in limited cases.

Claims settlement and readjustment costs are recognized through profit or loss when incurred. Unsettled claims and readjustment expenses include estimates for reported claims and provisions for claims that are incurred but not reported.

Claims management costs are provisioned.

Mathematical provisions are also established to cover constituted annuities.

Premium provisions are calculated pro rata temporis. Additional premium provisions can be made if a group of homogeneous products proves to be unprofitable.

IV.5.15.2.2 Insurance contracts Life

Provisions for Life insurances include the mathematical provisions that represent the difference between the current values of the commitments made by the insurer and those made by the insured. Provisions are calculated according to the technical bases in force at the time of signing the contract. Adjustments can be made later following any changes made to the contracts.

Liabilities are discounted applying a rate that is at the most equal to the rate of the policy concerned, and using regulatory mortality tables. As for annuities, there is also provided a longevity provision to reflect the increase in life expectancy.

For contracts with risk coverage deaths, the constituted provision contains the portion of premiums written but not earned during the period concerned.

IV.5.15.2.3 Investment contracts with discretionary participation features

The provision for profit sharing corresponds to the interests of policyholders in technical and financial profits made by the companies. They are intended to be paid to the policyholders and to increase their guarantees after incorporation into mathematical provisions.

The discretionary participation elements are a conditional promise related to unrealized gains and losses. They are therefore incorporated into the unrealized gains and losses included in the equity. When the promise is unconditional, the amount thereon is reclassified to the liabilities of the Life insurance contracts.

Profit sharing also includes the deferred unrealized participation resulting from shadow accounting.

IV.5.15.2.4 Investment contracts without discretionary participation

Investment contracts without discretionary participation are treated as financial liabilities within the scope of IAS 39. These contracts are recognized:

- either at fair value with the changes accounted for through profit or loss. These are mainly unit-linked contracts;
- either at amortized cost using the effective interest rate method.

Deposit accounting is applied to all of these contracts. Net premiums received from these contracts are not recognized as revenue; all expenses associated with these contracts are recognized through profit or loss under "other operating income".

IV.5.15.2.5 Unit-linked contracts

Mathematical provisions for unit-linked contracts are valued on the basis of the assets underlying these contracts. Gains or losses resulting from the revaluation of these are recognized through profit or loss in order to neutralize the impact of the change in technical provisions.

IV.5.15.2.6 Shadow accounting and provision for deferred profit sharing

Shadow accounting allows to address the risk of imbalance in assets/liabilities that is artificially generated by different valuation methods for assets and liabilities. When the measurement of liabilities is directly affected by the implementation of gains or losses of assets, a provision for deferred profit sharing is recognized in consideration of unrealized gains or losses in investments.

The provision for deferred profit sharing is determined by applying fair value readjustments of assets participation rates estimated on the basis of contractual obligations associated with each portfolio. The estimated participation rate also takes into account the following elements: the regulatory and contractual terms of profit sharing, the programme of realization of gains and losses and the insurer's dividend policy. The determination of the share in gains and losses attributable to policyholders is determined by the characteristics of the contracts that are likely to benefit from these gains or losses.

Finally, when, following the liability adequacy tests (LAT - see below), the inadequacy found is related to the interest rates' weakness, shadow accounting allows to allocate an additional share in unrealized gains recognized on investments within insurance provisions.

Shadow accounting is done under the same terms as the accounting method applied to the underlying financial investments: in profit if it concerns financial investments accounted for through profit or loss, or for reserve revaluation in other items of comprehensive income for investments available for sale.

IV.5.15.2.7 Liability Adequacy Test (LAT)

Adequacy tests are performed to ensure the adequacy of insurance liabilities with regard to estimated future cash flows. The tests are performed on homogeneous products groups, both in Life and in Non-Life. The assumptions set for the projection of future cash flows are consistent with those used internally to other models and are determined so as to be in line with the economic, demographic ... reality. The present value of future cash flows is determined using a discount rate that reflects market conditions at the reporting date, the specific composition of asset portfolios and the characteristics of the asset-backed liabilities. Any shortcomings are provisioned with an offsetting impact to income.

IV.5.15.2.8 Embedded derivatives

Embedded derivatives that meet the definition of insurance contracts or that match repurchase options for a defined amount are not valued separately from the host contract. If other embedded derivatives are not closely related to the host contracts or do not meet the definition of an insurance contract, they are measured separately at fair value through profit or loss.

IV.5.15.2.9 Revenue recognition

Premiums of contracts in force during the accounting year are included in the earnings, taking into account the premiums to be issued in Non-Life which are the subject of an estimate for the portion earned at the end of the accounting year.

In accordance with IFRS 15, revenues generated through management contracts are recognized in line with the services provided.

IV.5.16 Subordinated debts and financial debt

The financial debt, subordinated or not, is recognized initially at fair value and subsequently measured using the amortized cost method. Costs directly attributable to the establishment of a new loan are deducted from the face value of the loan and recognized in the income over the term of the loan using the effective interest rate method.

IV.5.17 Provisions

Provisions mainly include provisions for litigation, restructuring and off-balance sheet credit commitments.

Provisions are measured at the present value of the expenditures expected to settle the obligation. The chosen interest rate is the pre-tax rate that reflects the time value of money as defined by the market.

Provisions are recognized when:

- the Group has a legal or implied obligation resulting from past events;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- it is possible to reliably estimate the exact amount of the obligation.

IV.5.18 Lease contracts

IV.5.18.1 The Group as lessee

The Group mainly enters into lease contracts for the rental of its buildings, equipment and small materials, in particular IT equipment, as well as company cars.

At the start date of the contract, Ethias recognizes a right-of-use asset at cost and a liability (lease obligation) at the present value of the lease payments that have not yet been made.

The asset is depreciated over its useful life or the term of the contract, if shorter. If the lease contract transfers ownership of the underlying asset to the lessee at the end of its term, or if the cost of the right-of-use asset takes into account the future exercise of a purchase option by the lessee, the asset is depreciated over its useful life.

The lease obligation is reduced by the rental payments made and increased by the interests.

When a change is made to a lease contract, the lease obligation is revalued and the amount of the revaluation is carried on the right-of-use asset.

IV.5.18.2 The Group as lessor

A lease is classified as finance lease if the lease cedes substantially all the risks and benefits incidental to ownership of the asset. A contract that is not a finance lease agreement is a simple lease contract.

The Group enters into operating leases primarily related to the exploitation of its real estate properties.

When an asset is used as part of an operational lease, the lease payments received are recognized in the income statement linearly over the period of the lease. The underlying asset is recognized using the rules applicable to this type of asset.

When an asset held is leased under a finance lease, the Group records a receivable equal to the net investment in the lease, which may be different from the present value of minimum payments due under the contract. The interest rate used for discounting is the implicit rate included in the base contract. The revenues are recognized over the term of the lease using the implicit interest rate.

IV.5.19 Employee benefits

IV.5.19.1 Post-employment benefits

The post-employment benefits include the pension plans, the life insurance and orphanhood insurances. The Group has various defined benefit plans and defined contribution pensions plans in place for its employees:

- For defined benefit pension plans, expenses related to these plans are assessed separately for each plan using the method of "Projected Unit Credit". Under this method, the cost of the plan is recognized as expense through profit or loss so as to spread the cost evenly over the career of employees participating in pension plans. The obligations relating to the pension plans recorded on the balance sheet are valued on the basis of the present value of future cash outflows, including taxes and contributions payable by the plan, net of any costs of past services not yet recognized.
- Defined contribution pension plans are subject to the Belgian law on supplementary pensions that imposes a minimum guaranteed return on the contributions paid. Therefore, these programmes are considered under IFRS as defined benefit pension plans.

Some of the employee pension plans are insured with the insurance company Ethias SA. Therefore, the assets backing these pension plan do not meet the conditions to be considered as plan assets and are therefore considered non-financed. Therefore, the assets backing the pension plan do not meet the conditions to be considered as plan assets.

The present value of cash flows is calculated using an interest rate corresponding to those of corporate bonds of first category with a maturity similar to those of the corresponding liabilities.

The costs of past services result from the adoption of or from the change in the pension plan. They are recognized as expenses over the average remaining period until the corresponding benefits become vested for the personnel.

Actuarial differences include, for assets and liabilities, the effects of differences between previous actuarial assumptions and what has actually occurred and the effects of changes in actuarial assumptions on the liabilities of the plans. Actuarial differences are fully recognized in the other items of comprehensive income during their period in which they occur.

IV.5.19.2 Short-term benefits

Employee entitlements to annual leave, merit bonuses and other various premiums are recognized when the amounts in question should be paid to the employees. A debt is made to cover the estimated expense for services rendered by employees up to the balance sheet date.

IV.5.19.3 Other long-term benefits

The expected costs of these benefits are recognized during the period of employment using the same methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized through profit or loss related to the period in which they occur.

IV.5.19.4 Early retirement

The Group has established an early retirement programme for its employees. A liability and an expense are recognized from the time when there is a clear commitment on the part of the entity and that the latter has formalized the outlines of the programme concerned. The debt recognized in the balance sheet is the present value of the early retirement obligation to the closing date of the accounting year.

IV.5.19.5 Other contract termination compensation

In the case of severance costs payable as a result of the decision of the entity to terminate the employment of one or more staff members, the entity shall recognize a liability and an expense of severance.

IV.5.20 Discontinued operations and available-for-sale assets

A discontinued operation is a component which the entity has disposed of or is classified as available for sale, and (i) which represents a line of business or a separate major geographical area, (ii) which is part of a single, coordinated plan to dispose of a business line or a separate major geographical area; or (iii) is a subsidiary acquired exclusively for resale.

The category "Discontinued operations and available-for-sale assets" comprises assets including properties or activities available for sale or discontinued within twelve months from the closing date of the accounting year. Subsidiaries available for sale remain in the scope of consolidation until the day when the Group loses effective control. The assets and activities (assets and liabilities) concerned are valued at the lower of net book value and fair value net of the selling costs. They are presented in separate assets and liabilities positions in the balance sheet. Any realized loss is also shown separately through profit or loss.

IV.5.21 Revenue recognition

The revenues from ordinary activities correspond to the fair value of the consideration received or receivable, net of intercompany sales or services rendered. The revenues from ordinary activities are recognized as follows:

IV.5.21.1 Income from insurance activities

Regarding the recognition of revenues from insurance activities, we refer to the rules mentioned in the section "Insurance and investment contract liabilities".

IV.5.21.2 Financial income

Interest income is recognized pro rata temporis using the effective interest rate method. When a receivable is impaired, the Group reduces its book value to its recoverable amount, which represents the future cash flows, discounted at the original effective interest rate of the instrument, and continues to recognize the effect of undiscounting in the interest income. Interest income on impaired loans are recognized using the original effective interest rate method.

Dividends are recognized when the right to receive the dividend is established.

IV.5.21.3 Other goods and services

Contracts that do not expose the insurer to an insurance risk or expose it to a non-significant insurance risk and do not create financial asset or liability are classified in the category "service contracts". In accordance with IFRS 15, revenue associated with a transaction involving the rendering of services is recognized by reference to the stage of completion of the transaction.

The subsidiaries of the NRB sub-group develop and sell customized software. Revenue is recognized using the percentage-of-completion method, in which profit is recognized as revenue as work is completed. Impairments are recognized in order to reflect any known losses caused in the projects. When circumstances lead to a change in the initial estimate of revenues, of costs or of the stage of completion, the estimate is revised. These revisions may result in an increase or decrease in the estimated revenues or costs and are recognized through profit or loss of the period in which the management becomes aware of those circumstances.

IV.5.22 Income taxes

Deferred tax assets and liabilities are generated by temporary differences between the book and tax values of the assets and liabilities and, if applicable, by carryforwards of unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profits, against which the deductible temporary differences can be utilized, will be available. Deferred tax liabilities are recognized for all taxable temporary differences.

IV.5.23 Contingent liabilities

A contingent liability is:

- a possible liability resulting from past events and whose existence will be confirmed only by the occurrence or not of one or more uncertain future events not fully within the Group's control; or
- a present liability resulting from past events, but not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the liability or that the amount of the liability cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the balance sheet. They are subject to an explanation in the notes, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are assessed continually to determine whether an outflow of economic benefits has become probable or assessable with sufficient reliability, in which case a provision is recognized in the financial statements of the accounting year in which the change in probability or evaluation occurs.

IV.5.24 Events after the reporting period

Events after the reporting period refers to events that occur between the balance sheet date and date of the publication date of the balance sheet. There are two types of events:

- those that give rise to adjustments to the consolidated financial statements if they help confirm situations that existed at the balance sheet date;
- those who impose the provision of additional information if they indicate situations that arose after the balance sheet date, and if they are relevant and significant.

In the case of dividends, the debt corresponding to the amount not yet paid of the dividends is not recognized as long as the dividend has not been approved by the general assembly.

IV.6 Critical accounting estimates and judgements

The preparation of the consolidated financial statements in accordance with the IFRS brings the Group to make judgements, estimates and assumptions that have an impact on the application of valuation rules and on the amounts of the assets, liabilities, revenues and expenses, and which by their nature contain a certain degree of uncertainty. These estimates are based on the experience and assumptions which the Group considered as reasonable on the basis of the circumstances. The actual results would and will by definition often differ from these estimates. The revisions of the accounting estimates are recognized during the period in which the estimates are reviewed and in the course of all future periods covered. The judgements and estimates mainly relate to the domains listed below.

For more information with regard to the introduction of the following estimates we refer to the corresponding notes in the consolidated financial statements.

IV.6.1 Fair value of financial instruments

The fair value of a certain number of financial instruments is determined on the basis of valuation techniques. This is especially the case for the perpetual bonds which are recognized at fair value through profit or loss or for derivative instruments. In addition, the Group also appeals to valuation techniques to determine the fair value of certain instruments that are communicated in the explanatory notes. This concerns, for example, the determination of the fair value of loans or the fair value of bonds. The Group selects the methods and retains the assumptions which seem the most appropriate by mainly referring to the existing market conditions at the end of each reporting period.

The sensitivity analysis for financial risks is available under point 4.6.5 in chapter ***II. Report of the Board of Directors***.

IV.6.2 Insurance and investment liabilities

The technical provisions for Life insurances are calculated on the basis of various assumptions. Judgement is required when making these assumptions and the assumptions used are based on various internal and external sources of information. For the recognition of the technical provisions, IFRS 4 currently refers largely to the local accounting standards. The technical provisions are often calculated on the basis of technical parameters applicable at the time of the conclusion of the contract and shall be subject to the liability adequacy test. The following main parameters are taken into account:

- The discount rate, which in general, shall be equivalent to the technical interest rate and which remains constant during the duration of the contract. In some cases, it is corrected on the basis of legal provisions and internal policy decisions;
- The mortality and sickness rates which are based on the standard mortality tables and may be adjusted depending on past experience;
- The assumptions with regard to the costs based on the actual cost levels and management costs;

The assumptions with regard to the technical provisions in Non-Life insurance are based on past experiences (including certain assumptions with regard to the number of claims; the compensations and the costs of settling claims), adjusted to take account of such factors as anticipated market experience, claims and the increase of claims and external factors such as legal decisions and legislation. The technical provisions are not updated except when long-term obligations and/or annuities (e.g. hospitalization, work accidents, etc.) are involved.

The impact of the sensitivity analyses on the income statement can be found in chapter ***II. Report of the Board of Directors***, under point 4.5.1.2 for Non-Life and under point 4.5.2.2. for Life.

IV.6.3 Employee benefit

The debt relating to the employee benefits is determined on the basis of an actuarial method, including a certain number of financial and demographic assumptions, described in point 16.3.1 of chapter ***V. Note to the consolidated balance sheet.*** Any change in these assumptions would have an impact on the amount of this debt. An important assumption with a great sensitivity on debt is the discount rate. At the end of each reporting period, the Group determines this rate by referring to the market rate at the closing date of first category corporate bonds with a maturity comparable to the maturity of the commitments. The other major assumptions are based on the market or reflect the best estimate of the Group. The results of the sensitivity analysis may be consulted under point 16.3.2. in chapter ***V. Note to the consolidated balance sheet***.

IV.6.4 Deferred taxes

The deferred tax assets are only recognized in order to reduce the temporary differences and the losses carried forward when it is probable that future taxable profits shall allow to compensate these differences and losses and when fiscal losses shall remain available taking into account their origin, the period of their occurrence and their compliance with the legislation on their recovery. The Group's capacity to earn the deferred tax assets is measured through an analysis based on the estimate of future Group results. Given the various uncertainties with regard to the evolution of the financial markets among others, the Group based in its analysis on a time horizon of five years. The underlying assumptions of these analyses shall be reviewed on a yearly basis. The notes with regard to the deferred taxes can be found under point 8 in section ***V. Note to the consolidated balance sheet.***

The preparation of consolidated financial statements requires an estimate of income taxes and deferred tax assets and liabilities under the tax laws of the various jurisdictions in which the Group operates. Under IAS 12, deferred tax assets and liabilities are to be measured at the tax rates that are expected to apply in the period in which the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

IV.6.5 Provisions

In accordance with IFRS rules, the various risks faced by the Group are assessed. Provisions are recorded when these risks are deemed probable and the amount can be reliably measured, while risks deemed unlikely (but not insignificant) are included in contingent liabilities. The probability of a current obligation arising from past events and the calculation of the amount corresponding to the best estimate of the risk are assessed on the basis of various assumptions.

The note on provisions can be found in item 17 of chapter ***V. Note relating to the consolidated balance sheet*** and the note on contingent liabilities can be found in item 5 of chapter ***VII. Note relating to items not included in the balance sheet.***

IV.7 Sector information

The allocation of resources and the performance assessment are made for the various products that the Group offers to public bodies, companies and individuals, in the form of a complete, tailor-made and innovative range of risk management solutions and insurances, both in Life and Non-Life. These segments and their operations are as follows:

- Segment "Individuals Non-Life": the income of this segment primarily comes from premiums received for coverage against damage to vehicles and homes, for family insurance as well as assistance insurance.
- Segment Life Individuals: Ethias sells outstanding balance insurances, following the absorption of Whestia in 2017. Most of the other insurance products are put into run-off.
- Segment "Public Bodies & Companies Non-Life": this segment mainly covers the risks for public services and their staff members for whom the Group offers since long guarantees, such as civil liability, health care, work accidents, sporting accidents, vehicle, assistance, etc. Ethias also covers the damage to or destruction of material, buildings and installations.
- Segment "Public Bodies & Companies Life": this segment covers pension and contribution insurances, group insurances, individual pension commitments, director's insurances, annuity contracts, etc. This segment also covers the supplementary pension for contractual staff members of the public sector.
- The segment "Other" includes the Non-Technical activity of Ethias SA.
- The Group’s other activities, which mainly come from IT activities, including the design, development and marketing of IT solutions, real estate activities through the Group's real estate companies and, finally, financial activities through the SICAV "Ethias Sustainable Investment Fund" are presented separately.
- Are included in terms of adjustments: accounting entries relating to IFRS, eliminations of intercompany transactions and consolidation adjustments.

The results of the segments for the years ended on 31 December 2021 and 2020 respectively are detailed below:

	PUBLIC & CORPORATE SECTOR		PRIVATE INDIVIDUALS		OTHERS	Statutory income statement B-Gaap	Statutory income statement B-Gaap	ADJUST-MENTS	Consolidated income statement IFRS
In thousands of euros	NON-LIFE	LIFE	NON-LIFE	LIFE	NON-TECHNICAL	Ethias SA	Subsidiaries	Total Adjustments	31 December 2021
Gross premiums	808,583	1,324,544	595,745	49,881	-	2,778,752	-	(11,883)	2,766,869
Premiums ceded to reinsurers	(31,852)	(1,362)	(7,343)	-	-	(40,556)	-	-	(40,556)
Change in the provision for unearned premiums and outstanding risks (a)	717	-	(487)	-	-	230	-	-	230
Other income from insurance activities	872	697	317	2,527	-	4,413	-	(8)	4,404
Revenues from insurance activities (a)	**778,320**	**1,323,879**	**588,232**	**52,407**	**-**	**2,742,838**	**-**	**(11,891)**	**2,730,947**
Revenues from other activities	**-**	**-**	**-**	**-**	**18,273**	**18,273**	**594,032**	**(89,786)**	**522,519**
Net income from investments	84,920	415,475	**29,968**	**36,025**	**(9,116)**	**557,272**	59,028	(221,295)	395,005
Net realized gains or losses on investments	-	-	-	-	-	-	6,685	76,994	83,679
Change in fair value of investments through profit and loss (b)	-	-	-	-	-	-	17,712	125,584	143,296
Net financial income	**84,920**	**415,475**	**29,968**	**36,025**	**(9,116)**	**557,272**	**83,425**	**(18,717)**	**621,980**
NET REVENUES	**863,240**	**1,739,355**	**618,200**	**88,432**	**9,158**	**3,318,383**	**677,457**	**(120,395)**	**3,875,445**
Insurance service expenses	797,633	1,608,497	383,155	69,242	-	2,858,527	-	8,867	2,867,394
Net expenses or revenues ceded to reinsurers	(90,321)	(1,952)	(24,415)	-	-	(116,688)	-	-	(116,688)
Management costs (c)	155,228	36,456	139,318	13,584	-	344,586	-	(18,405)	326,181
Technical expenses for insurance activities	**862,539**	**1,643,002**	**498,058**	**82,826**	**-**	**3,086,425**	**-**	**(9,537)**	**3,076,887**
Expenses for other activities	**-**	**-**	**-**	**-**	**24,835**	**24,835**	**535,318**	**(65,927)**	**494,225**
Change in depreciation and amortization on investments (net)	**-**	**-**	**-**	-	-	-	14,525	(1,279)	13,246
Other investment financial expenses	-	-	-	-	-	-	7,005	11,357	18,363
Finance costs	-	-	-	-	-	-	12,368	15,443	27,810
Financial and financing expenses	**-**	**-**	**-**	**-**	**-**	**-**	**33,898**	**25,521**	**59,419**
NET EXPENSES	**862,539**	**1,643,002**	**498,058**	**82,826**	**24,835**	**3,111,259**	**569,216**	**(49,944)**	**3,630,532**
Goodwill impairment	-	-	-	-	-	-	-	-	-
NET PROFIT (LOSS) BEFORE TAX	**700**	**96,353**	**120,142**	**5,605**	**(15,677)**	**207,124**	**108,241**	**(70,451)**	**244,914**
Income taxes and deferred taxes	-	-	-	-	(17,417)	(17,417)	(15,753)	(2,152)	(35,322)
Transfer/Charge to untaxed reserves	-	-	-	-	(1,619)	(1,619)	(1,951)	3,571	-
NET PROFIT (LOSS) AFTER TAX	**700**	**96,353**	**120,142**	**5,605**	**(34,713)**	**188,088**	**90,537**	**(69,033)**	**209,592**
Share of the associated companies in the result	-	-	-	-	-	-	-	(430)	(430)
Net profit (loss) from discontinued operations	-	-	-	-	-	-	-	-	-
Net consolidated profit (loss)	**700**	**96,353**	**120,142**	**5,605**	**(34,713)**	**188,088**	**90,537**	**(69,463)**	**209,162**
Group's share						188,088	90,537	(89,654)	188,970
Non-controlling interests							-	20,192	20,192

In thousands of euros	PUBLIC & CORPORATE SECTOR NON-LIFE	PUBLIC & CORPORATE SECTOR LIFE	PRIVATE INDIVIDUALS NON-LIFE	PRIVATE INDIVIDUALS LIFE	OTHERS NON-TECHNICAL	Statutory income statement B-Gaap Ethias SA	Statutory income statement B-Gaap Subsidiaries	ADJUST-MENTS Total Adjustments	Consolidated income statement IFRS 31 December 2020
Gross premiums	792,510	1,305,552	589,507	42,213	-	2,729,782	-	(9,595)	2,720,187
Premiums ceded to reinsurers	(30,905)	(1,506)	(6,930)	-	-	(39,340)	-	-	(39,340)
Change in the provision for unearned premiums and outstanding risks (a)	(410)	-	(3,088)	-	-	(3,498)	-	-	(3,498)
Other income from insurance activities	1,257	568	28	3,542	-	5,394	-	(87)	5,307
Revenues from insurance activities (a)	**762,452**	**1,304,614**	**579,516**	**45,755**	**-**	**2,692,337**	**-**	**(9,682)**	**2,682,655**
Revenues from other activities	**-**	**-**	**-**	**-**	**11,142**	**11,142**	**518,026**	**(181,323)**	**347,846**
Net income from investments	70,180	294,088	29,190	37,684	(14,767)	416,376	47,785	(77,053)	387,108
Net realized gains or losses on investments	-	-	-	-	-	-	3,252	18,784	22,036
Change in fair value of investments through profit and loss (b)	-	-	-	-	-	-	(12,139)	41,595	29,456
Net financial income	**70,180**	**294,088**	**29,190**	**37,684**	**(14,767)**	**416,376**	**38,898**	**(16,674)**	**438,600**
NET REVENUES	**832,632**	**1,598,702**	**608,706**	**83,439**	**(3,624)**	**3,119,855**	**556,924**	**(207,678)**	**3,469,101**
Insurance service expenses	666,760	1,490,712	337,300	59,200	-	2,553,971	-	(48,013)	2,505,959
Net expenses or revenues ceded to reinsurers	(22,612)	(746)	(641)	-	-	(23,998)	-	23	(23,975)
Management costs (c)	160,180	38,597	133,019	13,348	-	345,144	-	(30,587)	314,557
Technical expenses for insurance activities	**804,327**	**1,528,563**	**469,678**	**72,548**	**-**	**2,875,117**	**-**	**(78,576)**	**2,796,541**
Expenses for other activities	**-**	**-**	**-**	**-**	**21,874**	**21,874**	**475,421**	**(172,477)**	**324,818**
Change in depreciation and amortization on investments (net)	-	-	-	-	-	-	10,742	(3,182)	7,560
Other investment financial expenses	-	-	-	-	-	-	5,181	11,108	16,289
Finance costs	-	-	-	-	-	-	10,265	18,589	28,854
Financial and financing expenses	**-**	**-**	**-**	**-**	**-**	**-**	**26,187**	**26,515**	**52,702**
NET EXPENSES	**804,327**	**1,528,563**	**469,678**	**72,548**	**21,874**	**2,896,990**	**501,609**	**(224,538)**	**3,174,061**
Goodwill impairment	-	-	-	-	-	-	-	-	-
NET PROFIT (LOSS) BEFORE TAX	**28,305**	**70,139**	**139,028**	**10,891**	**(25,498)**	**222,865**	**55,315**	**16,860**	**295,040**
Income taxes and deferred taxes	-	-	-	-	(18,223)	(18,223)	(9,916)	(42,906)	(71,046)
Transfer/Charge to untaxed reserves	-	-	-	-	(1,778)	(1,778)	(3,238)	5,017	-
NET PROFIT (LOSS) AFTER TAX	**28,305**	**70,139**	**139,028**	**10,891**	**(45,499)**	**202,863**	**42,161**	**(21,030)**	**223,994**
Share of the associated companies in the result	-	-	-	-	-	-	-	(769)	(769)
Net profit (loss) from discontinued operations	-	-	-	-	-	-	-	-	-
Net consolidated profit (loss)	**28,305**	**70,139**	**139,028**	**10,891**	**(45,499)**	**202,863**	**42,161**	**(21,799)**	**223,225**
Group's share						202,863	42,161	(37,352)	207,672
Non-controlling interests							-	15,553	15,553

a) Net of reinsurance
b) Including change in fair value of investments of which the financial risk is supported by the insured
c) Including contract acquisition costs, administration costs, internal claim handling costs and other technical expenses

The data by segment are prepared and evaluated based upon the Belgian accounting standards (BGAAP) and therefore do not follow the same valuation rules as those used for the IFRS consolidated financial statements as described in the notes to the financial statements. The column "adjustments" in the tables above reconciles the BGAAP statutory financial statements and the IFRS consolidated financial statements.

The measurement used by management for each segment's performance is the result by segment. The result per segment includes all revenues and expenses that are directly attributable as well as the revenues and expenses that can be reasonably attributed.

However, information on the segment's assets and liabilities is not provided because this information is not included in the BGAAP reporting, regularly reviewed by the management in view of allocating resources and assessing performance.

Transfers or transactions between segments are made at usual market conditions identical to those that would be applied with unrelated third parties.

Since the Group's activities are mainly carried out in Belgium, there is no geographical distribution to give.

We do not have any clients that account for a significant part of our revenues.

IV.7.1 BGAAP Result of Ethias SA

The year 2021 recorded a net result of 190 million euros, i.e. a decrease of 6% compared to 2020. After withdrawals and transfer to untaxed reserves, the result to be appropriated amounts to 188 million euros.

Total premium income amounts to 2,779 million euros, i.e. an increase of 2% compared to 2020, thanks to an increase in the premium income of Life (+2%) and Non-Life (+2%).

IV.7.1.1 Non-Life

The result of Non-Life business amounts to 121 million euros.

Income amounts to 1,404 million euros and increases by 2% compared to 2020. It breaks down as follows between the segments "Private Individuals" and "Public Bodies & Companies":

- Income for Private Individuals increases by 1% compared to 2020 and amounts to 596 million euros;
- Income for Public Bodies & Companies amounts to 809 million euros and increases by 2% compared to 2020.

The net operating combined ratio stands at 93% and remains below the 95% target.

The result of the Non-Life business has clearly decreased and is strongly impacted by the floods, partially offset by the good financial results and the absence of a major storm in 2021.

IV.7.1.2 Life

The result of Life business amounts to 102 million euros.

Income at end-2021 is up by 2% compared to 2020 and amounts to 1,374 million euros, including 50 million euros in Private Individuals and 1,325 million euros in Public Bodies & Companies.

Income in Life Individuals increases by 19% compared to 2020 thanks to the new production in Branch 23.

Premium income for Life Public Bodies & Companies increases by 2% compared to 2020, mainly coming from the 1st pillar.

The good performance of the Life business in 2021 is explained in particular by the growth in operating results (mortality gains) and non-recurring financial income of 30 million euros. These good results made it possible to endow the provision for profit-sharing (net of taxes) with 42 million euros, mainly for ring-fenced funds from the 1st pillar.

IV.7.1.3 Non-technical

The non-technical result before tax shows a negative contribution of 16 million euros, mainly due to the expense of subordinated loans and impairments on receivables. Tax expenses for the year amount to 18 million euros and benefit from the use of tax losses carried forward and deductions of income from innovation.

IV.7.2 BGAAP result of subsidiaries

The sum of the results of the Group's other activities, in BGAAP and before eliminations and consolidation adjustments, amounts to 90.5 million euros. They are mainly composed of the results of NRB and its subsidiaries for 63.4 million euros and of Ethias Sustainable Investment Fund for 25.2 million euros.

IV.7.3 Adjustments

Total adjustments amount to -69.5 million euros, of which -89.7 million euros in Group's share and +20.2 million euros in in third-party interests.

The main movements are the following:

- The impact of the recognition of employee benefits in accordance with IAS 19 thus amounts to 5.2 million euros.
- The recognition of Life technical provisions under IFRS 4 impacts the result by -10 million euros following the application of shadow accounting on products classified as FVPL. In Non-Life, the cancellation of the allocation to the equalization and catastrophe provision amounts to -16.6 million euros. At the subsidiaries, the cancellation of a provision increases the result by 0.6 million euros.
- The application of IAS 39 leads to an adjustment on the result of financial instruments of -0.6 million euros.
- The application of IFRS 36 leads to an adjustment on the result of +6.6 million euros. This concerns the elimination of the amortization of goodwill recorded under BGAAP on Whestia, on Trasys and at Prodata.
- The impact of the application of IFRS 5 on buildings

held for sale amounts to -18.5 million euros.

- The elimination of dividends from subsidiaries amount to -30 million euros.
- Deferred taxes related to IFRS adjustments and consolidation adjustments impact the income statement by -2.6 million euros, including -15.3 million relating to the use of tax losses carried forward.
- Other adjustments: cancellation of intra-group revaluation (-4.5 million euros) and adjustment on leasings (+1.7 million euros).

IV.8 Capital management

IV.8.1 Capital management purposes

The objective of capital management is to ensure that Ethias has own funds at all time, not only above the Solvency Capital Requirement but also above the internally set tolerance limit. Capital management is proactive in order to maintain the company's growth and sustainability. Capital management plans to adapt the business and financial strategy according to the level of solvency. The objective is to maintain a stable solvency within a predefined target range.

Details of changes in the Group's consolidated equity are provided in point 13 of chapter ***V. Note to the consolidated balance sheet***.

IV.8.2 Solvency II margin level

Ethias SA's Solvency II margin at end-December 2021, established according to the standard formula, stands at 178% after deduction of a dividend of 105 million euros which will be proposed to the General Assembly.

The solvency and financial condition report of Ethias SA provides additional information on the management of the regulatory capital of Ethias SA.

For more info: https://www.ethias.be/corporate/fr.html

V NOTES TO THE CONSOLIDATED BALANCE SHEET

V.1 Goodwill

V.1.1 Evolution of goodwill

In thousands of euros	2021	2020
Gross value on 1 January	**71,593**	**61,675**
Accumulated impairment losses on 1 January	-	-
Net book value on 1 January	**71,593**	**61,675**
Acquisitions	2,486	9,918
Other changes	-	-
Net book value on 31 December	**74,079**	**71,593**

Goodwill was generated on:

- entities of the NRB subgroup, for 59 million euros;
- the acquisition of the Whestia entity ("outstanding balance" insurance portfolio) for 15.1 million euros.

In 2020, the acquisition of 100% of the shares in People & Technology, B-data and Trigone, and 78% of the shares in Computerland by NRB generated goodwill of 9.9 million euros.

In 2021, Cevi acquired 100% of the shares of PDP, generating goodwill of 2.5 million euros.

V.1.2 Impairment test on goodwill

In accordance with IAS 36, we performed an impairment test on the goodwill recognized at the time of the acquisition of Whestia. The purpose of this test is to compare the fair value of the segment with the value of the net book assets. The result of the test led us not to recognize any impairment on goodwill as at 31 December 2021. A significant decrease in the fair value of the segment, which could result from an increase of more than 15 % in the expected mortality rate, would lead to the recognition of an impairment.

The comparison of the value of the companies in the NRB Group resulting from the "Discounted Cash Flow" (DCF) method with the book value of specific items in the consolidated accounts (goodwill, intangible assets, tangible assets and items determining the working capital requirement of the company concerned, i.e. other receivables, other assets, social security payables and tax debts) made it possible to conclude that no impairment should be recorded on NRB's goodwill in the consolidated accounts at 31/12/2021. This conclusion remains valid when the assumptions used with the DCF method are simultaneously stressed, via an increase in the weighted average cost of capital (by an increase in the risk-free rate of 0.7%, a decrease in the proportion of the cost of debt and the increase in the terminal value) and a decrease of 0.25% in the EBITDA projections.

V.2 Other intangible assets

2021

In thousands of euros	Software and IT developments	Other intangible assets	Total
Gross value on 1 January	**233,548**	**49,625**	**283,173**
Accumulated amortization on 1 January	(126,972)	(20,667)	(147,640)
Accumulated impairment losses on 1 January	(21,488)	-	(21,488)
Net book value on 1 January	**85,088**	**28,958**	**114,046**
Acquisitions	19,276	980	20,256
Disposals	(206)	-	(206)
Reclassifications	5	(5)	-
Change in the consolidation scope	-	383	383
Net amortization	(18,072)	(4,643)	(22,715)
Impairments	-	-	-
Other changes	-	-	-
Net book value on 31 December	**86,091**	**25,673**	**111,764**

2020

In thousands of euros	Software and IT developments	Other intangible assets	Total
Gross value on 1 January	**235,409**	**44,576**	**279,985**
Accumulated amortization on 1 January	(136,346)	(15,907)	(152,252)
Accumulated impairment losses on 1 January	(14,769)	-	(14,769)
Net book value on 1 January	**84,294**	**28,669**	**112,963**
Acquisitions	17,520	1,079	18,599
Disposals	(17)	-	(17)
Reclassifications	1,717	-	1,717
Change in the consolidation scope	3,828	3,968	7,796
Net amortization	(15,534)	(4,759)	(20,292)
Impairments	(6,719)	-	(6,719)
Other changes	-	-	-
Net book value on 31 December	**85,088**	**28,958**	**114,046**

In 2020, an impairment loss of 6.7 million euros was recorded on software and IT developments that are no longer useful in the new technologies used by the front office.

V.3 Tangible fixed assets and investment properties

In thousands of euros	2021 Investment properties	Operational buildings	Other tangible fixed assets	Total
Gross value to be depreciated on 1 January	**610,889**	**128,261**	**95,510**	**834,660**
Acquisitions	304	348	8,539	9,191
Disposals and withdrawals	(1,745)	(103,473)	(10,933)	(116,151)
Properties held for sale	-	44,827	1,605	46,432
Change in the consolidation scope	(20,993)	-	728	(20,265)
Reclassifications from one heading to another	1,293	(959)	-	334
Other changes	-	-	67	67
Gross value on 31 December	**589,747**	**69,005**	**95,516**	**754,268**
Depreciations and accumulated impairments on 1 January	**(120,147)**	**(75,281)**	**(67,543)**	**(262,971)**
Depreciations of the financial year	(15,621)	(2,156)	(7,239)	(25,016)
Impairments of the financial year	-	-	-	-
Reversals of the financial year	-	-	-	-
Disposals and withdrawals	-	6,047	314	6,361
Reversals following disposals	1,073	46,946	5,436	53,455
Net impairment and reversal on properties held for sale	-	(27,054)	(510)	(27,564)
Change in the consolidation scope	5,253	-	(505)	4,747
Reclassifications from one heading to another	(828)	494	-	(334)
Other changes	-	-	(67)	(67)
Depreciations and accumulated impairments on 31 December	**(130,271)**	**(51,004)**	**(70,114)**	**(251,388)**
Net book value on 31 December	**459,477**	**18,001**	**25,402**	**502,880**
Fair value on 31December	**643,375**	**47,437**	**25,402**	**716,214**

2020				
In thousands of euros	Investment properties	Operational buildings	Other tangible fixed assets	Total
Gross value to be depreciated on 1 January	**619,108**	**132,981**	**148,031**	**900,121**
Acquisitions	28,280	207	6,964	35,451
Disposals and withdrawals	(34,541)	(4,085)	(46,415)	(85,041)
Properties held for sale	2,408	-	-	2,408
Change in the consolidation scope	(5,258)	50	7,284	2,076
Reclassifications from one heading to another	892	(892)	(20,355)	(20,355)
Other changes	-	-	-	-
Gross value on 31 December	**610,889**	**128,261**	**95,510**	834,660
Depreciations and accumulated impairments on 1 January	**(115,716)**	**(74,524)**	**(111,888)**	**(302,129)**
Depreciations of the financial year	(16,409)	(3,263)	(8,656)	(28,329)
Impairments of the financial year	-	-	-	-
Reversals of the financial year	-	-	-	-
Disposals and withdrawals	-	-	15	15
Reversals following disposals	9,889	2,254	44,818	56,961
Net impairment and reversal on properties held for sale	-	-	-	-
Change in the consolidation scope	2,415	(72)	(5,897)	(3,554)
Reclassifications from one heading to another	(325)	325	14,066	14,066
Other changes	-	-	-	-
Depreciations and accumulated impairments on 31 December	**(120,147)**	**(75,281)**	**(67,543)**	**(262,971)**
Net book value on 31 December	**490,742**	**52,980**	**27,967**	**571,690**
Fair value on 31 December	**645,384**	**91,909**	**29,957**	**767,250**

Investment properties and held for own use are valued annually by independent real estate experts.

The fair value of investment properties represents the estimated amount at which the real estate could be exchanged on the valuation date between a buyer and a willing seller on the basis of a transaction at arm's length.

With regard to investment properties, the valuation method is that of the perpetual capitalization of the Estimated Rental Value (ERV). This method, in line with international valuation standards, is generally applied in the market where it is probable that the flow of income is constant. It consists in the perpetual capitalization of the estimated rental value, by using a rate of return, plus or minus a series of adjustments to take into account elements that may have a material impact on the value of the real estate assets.

The capitalisation rate is obtained on the basis of observations of comparable property values (and therefore rates of return) on the property investment market and depends inter alia on the location of the property, the quality of the property, the quality of the tenant and the length of the leases.

For buildings held for own use, the method of capitalizing the estimated rental value in perpetuity is also used. This estimated rental value is based on a "sale & lease back" scenario.

Investment properties and held for own use are classified as level 3. Indeed, the valuation methods used by the experts are not based on observable data on these markets. In particular, market rental values or capitalization rates should be considered as input data of level 3.

In 2021, Ethias sold its two main buildings held for its own use: its main office in Liège and the building in Hasselt, preferring to rent more environmentally friendly buildings.

V.4 Right-of-use of assets

In thousands of euros	2021 Immovable properties	IT equipment	Vehicles	Total
Gross value to be depreciated on 1 January	**19,095**	**22,083**	**23,367**	**64,545**
Acquisitions	28,140	660	8,278	37,078
Disposals and withdrawals	(213)	(5,443)	(3,190)	(8,847)
Remeasurement of lease obligations	(507)	(149)	(34)	(690)
Change in the consolidation scope	67	-	92	158
Reclassifications from one heading to another	-	-	-	-
Other changes	2,360	(5,619)	10,880	7,621
Gross value on 31 December	**48,941**	**11,531**	**39,392**	**99,865**
Depreciations and accumulated impairments on 1 January	**(3,871)**	**(14,921)**	**(10,880)**	**(29,673)**
Depreciations of the financial year	(4,813)	(3,972)	(9,701)	(18,486)
Impairments of the financial year	-	-	-	-
Reversals of the financial year	-	-	-	-
Disposals and withdrawals	-	-	-	-
Reversals following disposals	213	5,443	3,190	8,847
Change in the consolidation scope	-	-	-	-
Reclassifications from one heading to another	-	-	-	-
Other changes	(454)	3,964	(1,722)	1,787
Depreciations and accumulated impairments on 31 December	**(8,925)**	**(9,486)**	**(19,114)**	**(37,524)**
Net book value on 31 December	**40,016**	**2,045**	**20,279**	**62,341**

In thousands of euros	2020 Immovable properties	IT equipment	Vehicles	Total
Gross value to be depreciated on 1 January	**8,795**	**14,720**	**5,771**	**29,286**
Acquisitions	3,184	1,468	10,971	15,623
Disposals and withdrawals	(1,109)	(1,363)	(2,158)	(4,630)
Remeasurement of lease obligations	-	-	-	-
Change in the consolidation scope	-	-	-	-
Reclassifications from one heading to another	(5,890)	11,464	5,890	11,464
Other changes	14,115	(4,207)	2,893	12,801
Gross value on 31 December	**19,095**	**22,083**	**23,367**	**64,545**
Depreciations and accumulated impairments on 1 January	**(2,539)**	**(5,357)**	**(2,468)**	**(10,364)**
Depreciations of the financial year	(4,221)	(4,034)	(8,791)	(17,045)
Impairments of the financial year	-	-	-	-
Reversals of the financial year	-	-	-	-
Disposals and withdrawals	-	-	-	-
Reversals following disposals	1,109	1,363	2,158	4,630
Change in the consolidation scope	-	-	-	-
Reclassifications from one heading to another	1,779	(6,893)	(1,779)	(6,893)
Other changes	-	-	-	-
Depreciations and accumulated impairments on 31 December	**(3,871)**	**(14,921)**	**(10,880)**	**(29,673)**
Net book value on 31 December	**15,224**	**7,161**	**12,487**	**34,873**

In 2021, the line "Other Changes" includes a change in methodology for the valuation of the rights-of-use of assets in 2021.

In 2020, the line "Reclassifications from one heading to another" includes, on the one hand, the reclassification of vehicles included under "Immovable properties" in 2019 and, on the other hand, computer equipment previously included in “Other tangible fixed assets”. The line "Other changes" includes properties not recognized at end-2019 as well as a change in methodology on the valuation of the rights of use of assets in 2020.

V.5 Investments in associated companies and joint ventures

V.5.1 Information about associated companies and joint ventures

Prior to applying the equity method, the figures for joint ventures are:

In thousands of euros	Percentage of ownership	Assets	Liabilities	Equity	Revenues	Net profit or loss
BelgiumDC	34.19%	5,576	4,299	1,277	993	33
Green4You	26.00%	2,409	1,980	429	44	59
IMA Benelux	33.00%	5,964	5,007	957	8,316	(399)
Together Services	34.19%	634	473	161	1,740	76
WLP Holding	50.00%	161,521	106,404	55,118	1,237	(2,120)
WLP I	25.00%	29,646	25,085	4,562	1,630	(452)
WLP II	50.00%	18,417	15,058	3,358	1,529	581
WLP III	50.00%	119,191	98,321	20,870	5,769	1,163
WLP IV	50.00%	100,136	81,201	18,935	40	(552)
WLP VII	50.00%	42,682	35,093	7,589	181	7
WLP VIII	50.00%	15,005	15,594	(589)	823	(281)
WLP XI	50.00%	177,952	136,196	41,756	1,339	949
WLP CVH	50.00%	79,172	48,037	31,134	71	(190)
WLP CV	50.00%	42,446	11,079	31,367	5	(68)
Total on 31 December 2021		**800,752**	**583,826**	**216,925**	**23,716**	**(1,193)**
BelgiumDC	34.19%	4,131	3,216	915	809	68
IMA Benelux	33.00%	4,892	3,537	1,356	6,539	(694)
WLP Holding	50.00%	49,440	23,525	25,915	791	(45)
WLP I	25.00%	31,049	26,035	5,014	1,062	(1,207)
WLP II	50.00%	19,024	16,246	2,777	94	(720)
WLP III	50.00%	94,340	77,515	16,825	-	-
WLP VIII	50.00%	18,646	18,955	(309)	316	(344)
Total on 31 December 2020		**221,523**	**169,029**	**52,494**	**9,611**	**(2,942)**

In 2020, Ethias SA acquired 33 % of IMA Benelux and 50 % of WLP Holding, which owns 50 % of WLP I and 100 % of WLP II, WLP III and WLP VIII.

In 2021, Ethias SA acquired 26% of Green4You, and WLP Holding acquired 100% of WLP CVH, which owns 100% of WLP IV, WLP VIII and WLP XI (through WLP CV for the latter).

Belgium DC is held for 50 % by NRB.

V.5.2 Evolution of investments in associated companies and joint ventures

In thousands of euros	2021	2020
Net book value on 1 January	**26,156**	**595**
Interests sold during the financial year	-	-
Interests acquired during the financial year	31,768	26,331
Reclassifications	-	-
Share in the result of the financial year	(430)	(769)
Dividends paid	-	-
Other changes	-	-
Net book value on 31 December	**57,494**	**26,156**

The difference between the equity of the associated companies and the share of participating interests below corresponds to their contribution in the Group's equity.

V.6 Financial investments

V.6.1 Overview of financial investments by category

In thousands of euros	31 December 2021 Cost price	Impairments	Reassessment through other items of comprehensive income	Reassessment through profit or loss	Net book value	Fair value
Available for sale	52,650	(12,460)	93,641	-	133,831	133,831
Participating interests	**52,650**	**(12,460)**	**93,641**	**-**	**133,831**	**133,831**
Available for sale	420,495	(14,006)	179,255	-	585,744	585,744
Designated at fair value through profit or loss	111,119	-	-	16,788	127,907	127,907
Held for trading	17,712	-	-	(2,738)	14,974	14,974
Equities	**549,326**	**(14,006)**	**179,255**	**14,050**	**728,625**	**728,625**
Available for sale	275,377	(2,416)	155,516	-	428,477	428,477
Designated at fair value through profit or loss	18,317	-	-	1,043	19,360	19,360
Investment funds	**293,695**	**(2,416)**	**155,516**	**1,043**	**447,837**	**447,837**
Available for sale	13,593,663	(1,239)	1,219,329	-	14,811,752	14,811,752
Designated at fair value through profit or loss	276,208	-	-	10,457	286,665	286,665
Bonds	**13,869,871**	**(1,239)**	**1,219,329**	**10,457**	**15,098,417**	**15,098,417**
Loans and deposits	884,920	(14)	-	-	884,905	899,346
Other investments	**884,920**	**(14)**	**-**	**-**	**884,905**	**899,346**
Held for trading	188	-	-	(184)	4	4
Held for hedging purposes	-	-	25,848	-	25,848	25,848
Derivative financial assets	**188**	**-**	**25,848**	**(184)**	**25,852**	**25,852**
Investments belonging to unit-linked insurance contracts	**1,545,724**	**-**	**-**	**232,330**	**1,778,054**	**1,778,054**
Total	**17,196,374**	**(30,137)**	**1,673,589**	**257,696**	**19,097,522**	**19,111,963**

In thousands of euros	Cost price	Impairments	Reassessment through other items of comprehensive income	Reassessment through profit or loss	Net book value	Fair value
	31 December 2020					
Available for sale	51,969	(12,321)	89,012	-	128,659	128,659
Participating interests	**51,969**	**(12,321)**	**89,012**	**-**	**128,659**	**128,659**
Available for sale	446,367	(16,271)	94,791	-	524,887	524,887
Designated at fair value through profit or loss	117,856	-	-	(11,790)	106,066	106,066
Held for trading	9,234	-	-	(709)	8,526	8,526
Equities	**573,457**	**(16,271)**	**94,791**	**(12,498)**	**639,478**	**639,478**
Available for sale	200,706	(2,669)	99,416	-	297,453	297,453
Designated at fair value through profit or loss	12,542	-	-	1,466	14,009	14,009
Investment funds	**213,248**	**(2,669)**	**99,416**	**1,466**	**311,461**	**311,461**
Available for sale	13,245,096	(1,239)	1,951,679	-	15,195,536	15,195,536
Designated at fair value through profit or loss	297,666	-	-	12,477	310,143	310,143
Bonds	**13,542,762**	**(1,239)**	**1,951,679**	**12,477**	**15,505,679**	**15,505,679**
Loans and deposits	646,356	(94)	-	-	646,262	669,275
Other investments	**646,356**	**(94)**	**-**	**-**	**646,262**	**669,275**
Held for trading	1,917	-	-	(1,590)	327	327
Held for hedging purposes	-	-	29,336	-	29,336	29,336
Derivative financial assets	**1,917**	**-**	**29,336**	**(1,590)**	**29,663**	**29,663**
Investments belonging to unit-linked insurance contracts	**1,339,882**	**-**	**-**	**151,259**	**1,491,140**	**1,491,140**
Total	**16,369,591**	**(32,595)**	**2,264,233**	**151,114**	**18,752,343**	**18,775,356**

The cost includes the undepreciated part of the actuarial adjustments (for bonds) as well as the accrued interests not yet due. The fair value of the loans is based on valuation methods including data that are not based on observable market data (surrenders, evolution in the value of the guarantees, management costs). The fair value is based on the application of a model price obtained by the discounting of projected cash flows on the basis of the forward rate curve and taking into account the historical surrender assumption. The risk-free discount curve is adjusted to take into account the credit risks based on an analysis of the portfolio and of the guarantees as well as of the market practices.

The fair value of loans is classified as Level 3. Indeed, the valuation approach is based on a deterministic model and includes data that are not directly observable in the markets.

V.6.2 Evolution of financial investments

In thousands of euros	Available-for-sale investments	Financial assets designated at fair value through profit or loss	Financial assets held for trading	Loans, deposits and other financial investments	Derivative financial instruments (assets)	Investments belonging to unit-linked insurance contracts	Total
				2021			
Opening balance on 1 January	**16,146,534**	**430,218**	**8,526**	**646,262**	**29,663**	**1,491,140**	**18,752,343**
Acquisitions	3,090,570	48,174	108,587	886,629	188	548,465	4,682,614
Reclassifications between categories	-	-	-	-	-	-	-
De-recognition following exercise option	-	-	-	-	(24,065)	-	(24,065)
Profits and losses realized on hedging instruments not yet transferred to profit or loss	(24,280)	-	-	-	24,280	-	-
Disposals and reimbursements	(2,671,032)	(64,181)	(99,620)	(648,915)	(24,580)	(386,523)	(3,894,852)
Foreign currency translation differences on monetary assets	-	-	-	-	-	-	-
Adjustment at fair value	(536,233)	18,813	(2,518)	-	20,366	129,562	(370,011)
Amortizations	(30,692)	815	-	167	-	(3,733)	(33,444)
Changes in accrued interests not yet due	(12,245)	95	-	682	-	(858)	(12,325)
Impairments	(2,818)	-	-	80	-	-	(2,739)
Change in the consolidation scope	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-
Net book value on 31 December	**15,959,804**	**433,933**	**14,974**	**884,905**	**25,852**	**1,778,054**	**19,097,522**

In thousands of euros	Available-for-sale investments	Financial assets designated at fair value through profit or loss	Financial assets held for trading	Loans, deposits and other financial investments	Derivative financial instruments (assets)	Investments belonging to unit-linked insurance contracts	Total
				2020			
Opening balance on 1 January	**14,994,049**	**613,307**	**2,719**	**483,324**	**98,742**	**1,394,250**	**17,586,391**
Acquisitions	2,824,158	44,266	83,077	339,235	1,087	383,750	3,675,572
Reclassifications between categories	-	-	-	(7,021)	-	-	(7,021)
De-recognition following exercise option	-	-	-	-	(122,639)	-	(122,639)
Profits and losses realized on hedging instruments not yet transferred to profit or loss	(59,102)	-	-	-	59,102	-	-
Disposals and reimbursements	(2,119,215)	(209,647)	(75,454)	(169,266)	(59,133)	(329,882)	(2,962,597)
Foreign currency translation differences on monetary assets	1	-	-	-	-	-	1
Adjustment at fair value	571,452	(16,043)	(1,816)	-	52,504	48,540	654,638
Amortizations	(47,149)	842	-	31	-	(5,019)	(51,294)
Changes in accrued interests not yet due	(6,046)	(2,508)	-	406	-	(499)	(8,647)
Impairments	(11,615)	-	-	(446)	-	-	(12,061)
Change in the consolidation scope	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-
Net book value on 31 December	**16,146,534**	**430,218**	**8,526**	**646,262**	**29,663**	**1,491,140**	**18,752,343**

Adjustments to the fair value for derivatives (assets) break down into 20.6 million euros for derivative hedging instruments (against 53.7 million euros in December 2020) and -0.2 million euros for derivative trading instruments (against -1.2 million euros in December 2020).

The 2021 acquisitions include the loans agreed in the protocol signed with the Regions regarding the flooding for a total of 108 million euros (see point 1.3 of chapter ***II. Report of the Board of Directors***).

V.6.3 Evolution of impairments on investments

V.6.3.1 Impairment on available-for-sale investments

In thousands of euros	2021	2020
Balance on 1 January	**(32,501)**	**(36,296)**
Provision for impairments	(2,818)	(11,615)
Reversals of impairments	-	-
Reversals due to disposals	5,197	15,410
Change in the consolidation scope	-	-
Reclassifications	-	-
Other changes	-	-
Balance on 31 December	**(30,122)**	**(32,501)**

V.6.3.2 Impairments on loans, deposits and other financial investments

In thousands of euros	2021	2020
Balance on 1 January	**(94)**	**(5,187)**
Provision for impairments	(11)	(665)
Reversals of impairments	90	220
Reversals due to disposals	-	5,539
Change in the consolidation scope	-	-
Reclassifications	-	-
Other changes	-	-
Balance on 31 December	**(14)**	**(94)**

V.6.3.3 Past due financial investments

A financial asset is past due when the counterparty has failed to make a payment by the contractual due date. For example, if a counterparty fails to pay the contractual interest due on a scheduled date, the entire contract shall be considered as past due. The table below gives information about the maturity overrun of the outstanding, but not yet depreciated, financial assets. The default risk analysis on the investment portfolio did not show such a risk on the investments that are considered as "Not past due".

31 December 2021

In thousands of euros	Book value before impairment	Impairments	Net book value	Net book value of impaired assets	Net book value of unimpaired assets based on the following periods:			
					Not expired	Expired by up to 6 months	Expired less than 12 months	Expired by more than 12 months
Available-for-sale investments	14,812,992	(1,239)	14,811,752	-	14,811,752	-	-	-
Held-to-maturity financial assets	-	-	-	-	-	-	-	-
Financial assets unlisted on an active market	-	-	-	-	-	-	-	-
Loans, deposits and other financial investments	884,920	(14)	884,905	269	883,207	867	380	183
Total	**15,697,912**	**(1,254)**	**15,696,658**	**269**	**15,694,959**	**867**	**380**	**183**

In thousands of euros	Book value before impairment	Impairments	Net book value	Net book value of impaired assets	Net book value of unimpaired assets based on the following periods: Not expired	Expired by up to 6 months	Expired less than 12 months	Expired by more than 12 months
				31 December 2020				
Available-for-sale investments	15,196,775	(1,239)	15,195,536	-	15,195,536	-	-	-
Held-to-maturity financial assets	-	-	-	-	-	-	-	-
Financial assets unlisted on an active market	-	-	-	-	-	-	-	-
Loans, deposits and other financial investments	646,356	(94)	646,262	1,102	643,447	1,060	401	253
Total	**15,843,131**	**(1,333)**	**15,841,798**	**1,102**	**15,838,982**	**1,060**	**401**	**253**

V.6.4 Definition of fair value of financial instruments

The table below gives a fair value analysis of the financial instruments measured at fair value. They are split in three levels, from 1 to 3 based on the degree of observability of the fair value:

In thousands of euros	Level 1 Listed prices on an active market	Level 2 Valuation methods based on observable market data	Level 3 Valuation methods not based on observable market data	Net book value
	31 December 2021			
Financial assets				
Available for sale	3	-	133,828	133,831
Participating interests	**3**	**-**	**133,828**	**133,831**
Available for sale	512,623	-	73,120	585,744
Designated at fair value through profit or loss	127,907	-	-	127,907
Held for trading	14,974	-	-	14,974
Equities	**655,505**	**-**	**73,120**	**728,625**
Available for sale	226,576	24,443	177,458	428,477
Designated at fair value through profit or loss	19,360	-	-	19,360
Held for trading	-	-	-	-
Investment funds	**245,937**	**24,443**	**177,458**	**447,837**
Available for sale	12,882,773	1,703,015	225,965	14,811,752
Designated at fair value through profit or loss	122,127	154,151	10,388	286,665
Held for trading	-	-	-	-
Bonds	**13,004,899**	**1,857,166**	**236,353**	**15,098,417**
Held for trading	-	4	-	4
Held for hedging purposes	-	25,848	-	25,848
Derivative financial assets	**-**	**25,852**	**-**	**25,852**
Investments belonging to unit-linked insurance contracts	**1,752,938**	**25,116**	**-**	**1,778,054**
Total financial assets	**15,659,282**	**1,932,577**	**620,759**	**18,212,617**
Financial liabilities				
Investment contracts hedged by assets at fair value	1,756,182	25,116	-	1,781,298
Held for trading	-	-	-	-
Held for hedging purposes	**-**	**123,259**	**-**	**123,259**
Derivative financial liabilities	**-**	**123,259**	**-**	**123,259**
Total financial liabilities	**1,756,182**	**148,375**	**-**	**1,904,557**

In thousands of euros	Level 1 Listed prices on an active market	Level 2 Valuation methods based on observable market data	Level 3 Valuation methods not based on observable market data	Net book value
	31 December 2020			
Financial assets				
Available for sale	3	-	128,657	128,659
Participating interests	**3**	**-**	**128,657**	**128,659**
Available for sale	463,799	-	61,088	524,887
Designated at fair value through profit or loss	106,066	-	-	106,066
Held for trading	8,526	-	-	8,526
Equities	**578,391**	**-**	**61,088**	**639,478**
Available for sale	170,139	21,341	105,973	297,453
Designated at fair value through profit or loss	14,009	-	-	14,009
Held for trading	-	-	-	-
Investment funds	**184,148**	**21,341**	**105,973**	**311,461**
Available for sale	13,686,202	1,368,708	140,626	15,195,536
Designated at fair value through profit or loss	137,850	154,750	17,542	310,143
Held for trading	-	-	-	-
Bonds	**13,824,053**	**1,523,458**	**158,168**	**15,505,679**
Held for trading	286	41	-	327
Held for hedging purposes	-	29,336	-	29,336
Derivative financial assets	**286**	**29,376**	**-**	**29,663**
Investments belonging to unit-linked insurance contracts	**1,463,370**	**27,771**	**-**	**1,491,140**
Total financial assets	**16,050,250**	**1,601,946**	**453,885**	**18,106,081**
Financial liabilities				
Investment contracts hedged by assets at fair value	**1,466,597**	**27,771**	**-**	**1,494,368**
Held for trading	-	-	-	-
Held for hedging purposes	-	925	-	925
Derivative financial liabilities	**-**	**925**	**-**	**925**
Total financial liabilities	**1,466,597**	**28,696**	**-**	**1,495,293**

The fair value distribution of liabilities related to unit-linked insurance contracts is shown in the investment contracts hedged by assets at fair value. This category also includes investment contract liabilities without discretionary participation features.

V.6.5 Distribution between the various hierarchic levels

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

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

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

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

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

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

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

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

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

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

Level 2: Valuation methods based on observable market data

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

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

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

Level 3: Valuation methods not based on observable market data

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

The valuation of the bond portfolio in level 3 is based on the discounting of future cash flows by using the interest rate curve, the credit spread and maturity assumptions when it comes to perpetual bonds. The valuation of these bonds classified in level 3 stands at 236 million euros at December 31, 2021 compared with 158 million euros at December 31, 2020.

Private equity funds, real estate funds and non-controlling interests of the Group also belong to level 3. The fair value of these participating interests is namely essentially determined on the basis of an internal valorization method that is based:

- either on the intrinsic value of the participating interest for insurance companies, i.e. the Revalued Net Asset as well as the value of existing portfolios (= embedded value),
- or on the Net Asset Value of the participating interest for the other companies. The valuation of these assets classified in level 3 stands at 311 million euros at December 31, 2021 compared with 235 million euros at December 31, 2020.

In 2020, we invested in Euroclear, of which the IFRS level is 3 because it is an unlisted share. The valuation at end-December 2021 is based on a model price.

V.6.6 Important transfers between investments estimated at fair value in level 1 and 2

In thousands of euros	31 December 2021		31 December 2020	
	From level 1 to level 2	From level 2 to level 1	From level 1 to level 2	From level 2 to level 1
Financial assets				
Available for sale	-	-	-	-
Participating interests	**-**	**-**	**-**	**-**
Available for sale	-	-	-	-
Designated at fair value through profit or loss	-	-	-	-
Held for trading	-	-	-	-
Equities	**-**	**-**	**-**	**-**
Available for sale	-	-	-	-
Designated at fair value through profit or loss	-	-	-	-
Held for trading	-	-	-	-
Investment funds	**-**	**-**	**-**	**-**
Available for sale	80,327	179,785	35,579	84,086
Designated at fair value through profit or loss	-	-	-	-
Held for trading	-	-	-	-
Bonds	**80,327**	**179,785**	**35,579**	**84,086**
Held for trading	-	-	-	-
Held for hedging purposes	-	-	-	-
Derivative financial assets	**-**	**-**	**-**	**-**
Investments belonging to unit-linked insurance contracts	**-**	**1,803**	**-**	**-**
Total financial assets	**80,327**	**181,588**	**35,579**	**84,086**
Financial liabilities				
Investment contracts hedged by assets at fair value	**-**	**-**	**-**	**-**
Held for trading	-	-	-	-
Held for hedging purposes	-	-	-	-
Derivative financial liabilities	**-**	**-**	**-**	**-**
Total financial liabilities	**-**	**-**	**-**	**-**

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

Transfers between investments from level 2 to level 1 (179.8 million euros at end-2021) involve securities for which the source of the market price was the price given by a counterparty and which are currently valued by the BGN price (generic Bloomberg) and, inversely, transfers from level 1 to level 2 (i.e. for 80.3 million euros at end-2021) involve securities that were valued by BGN (generic Bloomberg) and that are currently valued by the market price given by a counterparty.

V.6.7 Evolution of investments estimated at fair value in level 3

In thousands of euros	2021 Available-for-sale investments	Financial assets at fair value through profit or loss	Total
Opening balance on 1 January	**436,343**	**17,542**	**453,885**
Acquisitions	180,827	-	180,827
Reclassifications between categories	-	-	-
Reclassification to level 3	-	-	-
Exit from level 3	-	-	-
Disposals and reimbursements	(27,070)	(8,073)	(35,143)
Adjustment at fair value through equity	18,962	-	18,962
Adjustment at fair value through profit or loss	-	919	919
Depreciation (premiums/discounts)	1,495	-	1,495
Changes in accrued interests not yet due	(26)	(1)	(27)
Impairments through profit or loss	(160)	-	(160)
Other changes	-	-	-
Closing balance on 31 December	**610,371**	**10,388**	**620,759**

In thousands of euros	2020 Available-for-sale investments	Financial assets at fair value through profit or loss	Total
Opening balance on 1 January	**336,836**	**54,633**	**391,470**
Acquisitions	102,208	-	102,208
Reclassifications between categories	-	-	-
Reclassification to level 3	-	-	-
Exit from level 3	-	(22,749)	(22,749)
Disposals and reimbursements	(14,627)	(14,999)	(29,626)
Adjustment at fair value through equity	10,539	-	10,539
Adjustment at fair value through profit or loss	-	671	671
Depreciation (premiums/discounts)	1,420	-	1,420
Changes in accrued interests not yet due	(33)	(14)	(47)
Impairments through profit or loss	-	-	-
Other changes	-	-	-
Closing balance on 31 December	**436,343**	**17,542**	**453,885**

The amount of acquisitions (181 million euros - AFS) mainly includes acquisitions and capital increases of bond funds for 98 million euros and capital increases for 35 million euros. There were also acquisitions and capital increases for 80 million euros, mainly for alternative funds and infrastructure funds, and 2.2 million euros for participating interests.

Disposals and reimbursements (27 million euros - AFS and 8 million euros - FVPL) are explained by the reimbursement of the SMACL bond in FVPL for 7.6 million euros and mainly by the reimbursement of infrastructure and private equity funds for 23.6 million euros.

V.7 Derivative financial instruments

The table below gives an overview of the derivative assets and liabilities:

31 December 2021

In thousands of euros	Maturity dates < 1 year	Maturity dates Between 1 and 5 years	Maturity dates > 5 year	Total nominal value	Positive fair value	Negative fair value
Interest rate swaps	-	-	-	-	-	-
Options on interest rates	-	-	-	-	-	-
Forward bonds	-	-	-	-	-	-
Options on shares or indices	3,250	-	-	3,250	4	-
Credit swaps	-	-	-	-	-	-
Subtotal held for trading	**3,250**	**-**	**-**	**3,250**	**4**	**-**
Interest rate swaps	-	-	110,000	110,000	-	(97,123)
Forward bonds	-	621,000	-	621,000	25,848	(26,136)
Forward swaps	-	-	-	-	-	-
Subtotal held for hedging	**-**	**621,000**	**110,000**	**731,000**	**25,848**	**(123,259)**
Total	**3,250**	**621,000**	**110,000**	**734,250**	**25,852**	**(123,259)**

31 December 2020

In thousands of euros	Maturity dates < 1 year	Maturity dates Between 1 and 5 years	Maturity dates > 5 year	Total nominal value	Positive fair value	Negative fair value
Interest rate swaps	-	-	-	-	-	-
Options on interest rates	-	-	-	-	-	-
Forward bonds	-	-	-	-	-	-
Options on shares or indices	23,205	-	-	23,205	327	-
Credit swaps	-	-	-	-	-	-
Subtotal held for trading	**23,205**	**-**	**-**	**23,205**	**327**	**-**
Interest rate swaps	-	-	-	-	-	-
Forward bonds	-	100,000	-	100,000	-	(925)
Forward swaps	150,000	-	-	150,000	29,336	-
Subtotal held for hedging	**150,000**	**100,000**	**-**	**250,000**	**29,336**	**(925)**
Total	**173,205**	**100,000**	**-**	**273,205**	**29,663**	**(925)**

The hedging solutions against the fall in interest rates matured in 2021.

The hedging solution against the spread widening has expanded compared to 2020 (621 million euros in nominal value versus 100 million euros at end-2020). This solution reduces the volatility of our equity in economic value.

At end-2021, inflation swaps were also concluded for a nominal value of 110 million euros.

As regards spread hedging, initial costs of 2.3 million euros were recognized in the income instatement. Estimating the effectiveness of the spread hedge once these costs have been taken into account does not imply taking into account ineffectiveness.

V.8 Deferred tax assets and liabilities

V.8.1 Breakdown of deferred tax assets and liabilities

In thousands of euros	31 December 2021 Deferred tax assets	 Deferred tax liabilities	 Net deferred taxes
Available-for-sale investments through profit or loss	-	427	(427)
Available-for-sale investments in other items of comprehensive income	548	366,172	(365,623)
Financial assets designated at fair value through profit or loss	707	293	414
Insurance and investment liabilities in other items of comprehensive income	256,701	-	256,701
Insurance and investment liabilities through profit or loss	94,937	6,869	88,068
Employee benefits in other items of comprehensive income	11,026	-	11,026
Employee benefits through profit or loss	2,805	-	2,805
Other sources of other items of comprehensive income	-	-	-
Other sources through profit or loss	-	31,026	(31,026)
Carried forward tax losses	566	-	566
Gross deferred tax assets and liabilities	**367,291**	**404,787**	**(37,496)**
Compensation through taxable entity	(367,057)	(367,057)	-
Net deferred tax assets and liabilities	**234**	**37,730**	**(37,496)**

In thousands of euros	31 December 2020 Deferred tax assets	 Deferred tax liabilities	 Net deferred taxes
Available-for-sale investments through profit or loss	-	1,462	(1,462)
Available-for-sale investments in other items of comprehensive income	-	539,175	(539,175)
Financial assets designated at fair value through profit or loss	-	3,803	(3,803)
Insurance and investment liabilities in other items of comprehensive income	371,267	-	371,267
Insurance and investment liabilities through profit or loss	87,944	6,869	81,074
Employee benefits in other items of comprehensive income	19,676	-	19,676
Employee benefits through profit or loss	2,085	-	2,085
Other sources of other items of comprehensive income	-	-	-
Other sources through profit or loss	-	32,650	(32,650)
Carried forward tax losses	15,927	-	15,927
Gross deferred tax assets and liabilities	**496,899**	**583,960**	**(87,061)**
Compensation through taxable entity	(496,665)	(496,665)	**-**
Net deferred tax assets and liabilities	**234**	**87,295**	**(87,061)**

Net deferred taxes amount to -37.5 million euros (compared to -87.1 million euros at 31/12/2020). This change of +49.6 million change is mainly due to the change in deferred taxes on revaluations of investments classified as AFS (+174.6 million euros), partially offset by the change in deferred taxes on technical provisions (-107.6 million euros), the change in deferred taxes on provisions for pension commitments (-7.9 million euros) and the change in deferred taxes on recoverable tax losses (-15.4 million euros).

V.8.2 Evolution of deferred tax assets and liabilities

In thousands of euros	2021			2020		
	Deferred tax assets	Deferred tax liabilities	Net deferred taxes	Deferred tax assets	Deferred tax liabilities	Net deferred taxes
Net book value on 1 January	**234**	**87,295**	**(87,061)**	**24,908**	**31,259**	**(6,352)**
Changes through profit or loss	66	1,624	(1,559)	(134,952)	(92,171)	(42,782)
Change in other items of comprehensive income	-	(50,335)	50,335	110,279	148,243	(37,964)
Change in scope	(66)	(854)	789	-	(36)	36
Other changes	-	-	-	-	-	-
Net book value on 31 December	**234**	**37,730**	**(37,496)**	**234**	**87,295**	**(87,061)**

V.9 Receivables

V.9.1 Breakdown of receivables by nature

In thousands of euros	31 December 2021		
	Gross value	Impairment	Net book value
Receivables arising from direct insurance operations and accepted reinsurance	219,074	(20,433)	198,641
Receivables arising from ceded reinsurance operations	113,722	-	113,722
Receivables arising from other operations	96,378	(1,562)	94,816
Tax receivables	20,619	-	20,619
Other receivables	124,434	(1,595)	122,839
Total	**574,227**	**(23,591)**	**550,636**

In thousands of euros	31 December 2020		
	Gross value	Impairment	Net book value
Receivables arising from direct insurance operations and accepted reinsurance	246,479	(28,632)	217,848
Receivables arising from ceded reinsurance operations	124,132	-	124,132
Receivables arising from other operations	79,742	(1,187)	78,555
Tax receivables	7,872	-	7,872
Other receivables	86,837	(1,595)	85,241
Total	**545,062**	**(31,414)**	**513,648**

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

V.9.2 Evolution of impairments on receivables

In thousands of euros	2021	2020
Impairments on receivables on 1 January	**(31,414)**	**(26,778)**
Provisions of the financial year	(8,625)	(15,763)
Expenditures of the financial year	6,922	1,463
Reversals of the financial year	10,178	9,580
Changes in the consolidation scope	(202)	(102)
Other changes	(450)	186
Impairments on receivables on 31 December	**(23,591)**	**(31,414)**

V.9.3 Outstanding receivables

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

31 December 2021

En milliers d'euros	Book value before impairment	Impairments	Net book value	Net book value of impaired assets	Net book value of unimpaired assets based on the following periods: Not expired	Expired by up to 6 months	Expired less than 12 months	Expired by more than 12 months
Receivables arising from insurance operations or accepted reinsurance	219,074	(20,433)	198,641	-	83,937	89,291	24,271	1,142
Receivables arising from ceded reinsurance operations	113,722	-	113,722	-	113,722	-	-	-
Other receivables	241,432	(3,157)	238,274	583	229,269	6,642	1,537	243
Total	**574,227**	**(23,591)**	**550,636**	**583**	**426,927**	**95,933**	**25,808**	**1,385**

31 December 2020

En milliers d'euros	Book value before impairment	Impairments	Net book value	Net book value of impaired assets	Net book value of unimpaired assets based on the following periods: Not expired	Expired by up to 6 months	Expired less than 12 months	Expired by more than 12 months
Receivables arising from insurance operations or accepted reinsurance	246,479	(28,632)	217,848	-	76,293	120,917	19,369	1,268
Receivables arising from ceded reinsurance operations	124,132	-	124,132	-	124,132	-	-	-
Other receivables	174,451	(2,782)	171,669	101	161,729	7,483	1,892	463
Total	**545,062**	**(31,414)**	**513,648**	**101**	**362,154**	**128,401**	**21,262**	**1,731**

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

V.10 Any other assets

In thousands of euros	31 December 2021	31 December 2020
Interest and rent accrued but not yet due	835	444
Other accruals	17,651	18,321
Any other assets	29,880	28,867
Total	**48,366**	**47,633**

V.11 Cash and cash equivalents

In thousands of euros	31 December 2021	31 December 2020
Cash at bank and in hand	434,439	531,744
Cash equivalents	20,861	-
Total of the cash and cash equivalents	**455,300**	**531,744**
Payables arising from repurchase operations (repo)	(725,260)	(575,631)
Bank overdraft and other debts included in the cash flow statement	(1,067)	(46,578)
Cash and cash equivalents regarding the groups intended to be transferred	-	-
Total of the repurchase operations, cash and cash equivalents in the cash flow statement	**(271,027)**	**(90,464)**

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

V.12 Available-for-sale assets and liabilities including assets from discontinued activities

In thousands of euros	31 December 2021	31 December 2020
Intangible assets	-	-
Investment properties	-	-
Operational buildings	-	17,773
Other tangible fixed assets	-	1,095
Total	**-**	**18,868**

The building included in the note in 2020 was sold in July 2021.

V.13 Equity

V.13.1 Subscribed capital

The capital issued and paid on 31 December 2021 amounts to 1,000 million euros. It is represented by 20 million shares without indication of the nominal value.

	31 December 2021	
	In thousands of euros	Number of shares
Registered shares without par value	1,000,000	20,000,000
Total	**1,000,000**	**20,000,000**

V.13.2 Other items of comprehensive income

The statement of comprehensive income is presented under point 3 in Chapter ***III***. ***Consolidated financial statements.***

V.13.2.1 Evolution of the revaluation reserve of the available-for-sale financial assets

In thousands of euros	2021	2020
Net book value on 1 January	**602,804**	**464,881**
Revaluation	(536,233)	571,452
Related taxes	152,939	(155,122)
Shadow accounting	458,264	(352,566)
Related taxes	(114,566)	88,141
Transfer resulting from disposals or impairments	(50,923)	(18,644)
Related taxes	12,731	4,661
Other changes	-	-
Net book value on 31 December	**525,014**	**602,804**

V.13.2.2 Evolution of the reserve for actuarial losses and profits on retirement benefit obligations

In thousands of euros	2021	2020
Net book value on 1 January	**(51,706)**	**(32,934)**
Recognized actuarial profits and losses	34,601	(25,029)
Related taxes	(8,650)	6,257
Other changes	-	-
Net book value on 31 December	**(25,755)**	**(51,706)**

The actuarial gains and losses recognized in 2021 are explained by the increase in the discount rate (decrease in 2020) partially offset by the increase in inflation and the financial results of the OFP.

V.13.2.3 Evolution of the reserve for hedge accounting

In thousands of euros	2021	2020
Net book value on 1 January	**48,018**	**58,575**
Revaluation	(4,482)	23,115
Related taxes	1,271	5,156
De-recognition following exercise option	(24,065)	(49,375)
Related taxes	6,016	12,344
Profits and losses realized on hedging instruments not yet transferred to profit or loss	-	-
Related taxes	-	-
Amortizations	(2,379)	(2,395)
Related taxes	595	599
Other changes	-	-
Net book value on 31 December	**24,975**	**48,018**

With regard to the forward bonds and swaps, profits or losses associated with the hedging contract are reclassified to the income statement in the same periods as those during which the covered expected cash flows affect the net profit (loss) (i.e. during the accounting period of interest revenues related to the bond acquired by means of the hedging contract).

V.14 Insurance and investment contract liabilities

V.14.1 Summary table of insurance and investment contract liabilities

Technical liabilities with regard to insurance and investment contracts, including those for which the financial risk is supported by the insured, are divided into gross liabilities and reinsurers' share. Gross liabilities are divided according to the nature of technical provision. Investment contract liabilities with discretionary participation features are presented separately from the investment contract liabilities without discretionary participation features.

V.14.1.1 Liabilities related to Non-Life insurance contracts

In thousands of euros	31 December 2021	31 December 2020
Mathematical provisions	1,014,654	968,039
Provisions for unearned premiums	295,804	296,447
Claims provisions	2,700,010	2,532,491
Shadow accounting	-	-
Other provisions	206,019	205,746
Total insurance contract liabilities (gross)	**4,216,487**	**4,002,723**
Reinsurers' share in liabilities related to Non-Life insurance contracts	222,806	156,291
Total insurance contract liabilities (after deduction of the reinsurers' share)	**3,993,681**	**3,846,431**

The increase in mathematical provisions is mainly due to the indexation of annuities.

The increase in claims provisions is mainly explained by the floods in July, but also by the pandemic, which had a downward impact on the 2020 provisions.

V.14.1.2 Liabilities related to Life insurance contracts

In thousands of euros	31 December 2021	31 December 2020
Mathematical provisions	4,241,237	4,203,610
Claims provisions	-	-
Shadow accounting	581,250	860,943
Other provisions	-	-
Insurance contract liabilities	**4,822,487**	**5,064,554**
Liabilities related to unit-linked insurance contracts	482,007	447,704
Total insurance contract liabilities (gross)	**5,304,495**	**5,512,258**
Reinsurers' share in liabilities related to Life insurance contracts	2,923	1,311
Total insurance contract liabilities (after deduction of the reinsurers' share)	**5,301,571**	**5,510,947**

Some reinsurance treaties related to the Life insurance contracts cannot cover the actual insurance risk in the liabilities related to Life insurance contracts, but only the financial risk. In order to present the information in a coherent way, the part of these treaties is presented in accordance with the Life insurance contracts to which they are related.

The decrease in liabilities related to Life insurance contracts is mainly explained by the decrease in shadow accounting directly impacted by the increase in interest rates, partially offset by the allocation of the profit sharing as of January 1, as well as by the evolution of the financial results of the unit-linked insurance contracts.

V.14.1.3 Investment contract liabilities

In thousands of euros	31 December 2021	31 December 2020
Mathematical provisions	4,443,237	4,376,813
Claims provisions	-	-
Shadow accounting	456,457	620,767
Investment contract liabilities with discretionary participation features	**4,899,693**	**4,997,580**
Liabilities related to unit-linked investment contracts with discretionaryparticipation features	**1,277,325**	**1,029,997**
Mathematical provisions	3,244	3,227
Investment contract liabilities without discretionary participation features	**3,244**	**3,227**
Liabilities related to unit-linked investment contracts without discretionary participation features	**18,721**	**13,440**
Total investment contract liabilities (gross)	**6,198,984**	**6,044,244**
Reinsurers' share in investment contract liabilities with discretionary participation features	-	-
Total investment contract liabilities (after deduction of the reinsurers' share)	**6,198,984**	**6,044,244**

The increase in liabilities related to investment contracts is mainly explained by the allocation of profit sharing as of January 1, by the evolution of financial results and the acquisition of new unit-linked insurance contracts, partly offset by the decrease in shadow accounting directly impacted by the increase in interest rates.

V.14.1.4 Profit sharing liabilities

In thousands of euros	31 December 2021	31 December 2020
Profit sharing related to Non-Life insurance contracts	-	-
Profit sharing related to Life insurance contracts	3,986	3,597
Profit sharing related to investment contracts	39,113	36,069
Liabilities for profit sharing of policyholders	**43,099**	**39,666**

V.14.2 Evolution of liabilities related to Non-Life insurance contracts

V.14.2.1 Evolution of gross values before reinsurance

In thousands of euros	2021	2020
Insurance contract liabilities on 1 January	**4,002,723**	**3,955,603**
Claims paid in the previous years	(359,425)	(422,469)
Change in claim costs compared to the previous financial years	(101,386)	(64,777)
Addition to liabilities on claims of the current year	628,330	485,443
Transfer of received/ceded reserves	-	-
Change in gross reserves for unearned premiums	(568)	3,497
Shadow accounting	-	-
Other changes	46,813	45,425
Insurance contract liabilities on 31 December	**4,216,487**	**4,002,723**

Other changes in reserves mainly include changes in mathematical provisions.

V.14.2.2 Evolution of the reinsurers' share

In thousands of euros	2021	2020
Reinsurers' share in insurance contract liabilities on 1 January	**156,291**	**155,524**
Reinsurers' share in claims costs	(5,589)	(14,355)
Change in claim costs compared to the previous financial years	63,861	4,342
Addition to liabilities on claims of the current year	8,656	10,807
Other changes in reserves	(413)	(27)
Reinsurers' share in insurance contract liabilities on 31 December	**222,806**	**156,291**

V.14.2.3 Development triangles

The table below shows the evolution of the reserves for unsettled claims over the last 10 years. All intended contracts are insurance contracts as defined in the IFRS. This table shows the accumulated values. The columns include all the previous years and the year under review.

	Claims occurrence years									
In thousands of euros	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Provisions for gross claims on the closing date	**2,092,978**	**2,110,994**	**2,092,494**	**2,104,045**	**2,076,655**	**2,175,915**	**2,219,389**	**2,312,238**	**2,313,458**	**2,473,050**
Accumulated payments:										
2013	397,164									
2014	621,242	392,400								
2015	715,510	529,082	317,918							
2016	809,244	652,016	483,331	338,794						
2017	891,250	747,095	590,706	466,909	310,154					
2018	960,814	828,395	687,415	583,283	466,862	365,399				
2019	1,008,913	887,010	756,142	665,950	573,091	515,840	380,603			
2020	1,052,902	943,619	820,365	743,635	669,022	633,816	551,874	422,469		
2021	1,085,758	982,170	866,931	800,662	740,801	722,488	670,385	601,494	359,425	
Revaluated reserves:										
2013	1,981,278									
2014	1,880,709	1,944,985								
2015	1,795,333	1,817,847	1,890,299							
2016	1,699,181	1,707,645	1,731,871	1,880,139						
2017	1,656,289	1,631,421	1,620,225	1,706,555	1,847,647					
2018	1,625,352	1,597,015	1,574,840	1,623,482	1,721,569	1,988,529				
2019	1,611,064	1,580,048	1,546,365	1,593,903	1,675,555	1,920,411	2,097,752			
2020	1,614,109	1,578,086	1,539,465	1,578,858	1,652,732	1,880,588	2,029,127	2,250,484		
2021	1,626,234	1,589,273	1,551,910	1,585,340	1,661,968	1,798,945	1,952,069	2,132,059	2,204,145	
Current claim liabilities	540,476	607,103	684,979	784,678	921,167	1,076,458	1,281,683	1,530,565	1,844,719	2,473,050
Surplus (insufficiency) of the initial provision compared to the estimated cost price on 31 December 2021:										
In nominal value	**466,744**	**521,721**	**540,584**	**518,704**	**414,687**	**376,970**	**267,320**	**180,179**	**109,313**	
In percent	**22.30%**	**24.71%**	**25.83%**	**24.65%**	**19.97%**	**17.32%**	**12.04%**	**7.79%**	**4.73%**	
Other liabilities for claims related to Non-Life insurance contracts										**226.960**
Total of the provisions for claims related to Non-Life insurance contracts										**2.700.010**

We have calculated the impact of the reinsurance effect on the development triangles and this was considered not significant.

V.14.3 Evolution of liabilities related to Life insurance contracts (without unit-linked insurance contracts)

V.14.3.1 Evolution of gross values before reinsurance

In thousands of euros	2021	2020
Insurance contract liabilities on 1 January	**5,064,554**	**4,889,631**
Premiums	223,339	235,088
Benefits	(296,002)	(278,562)
Time value	90,594	93,365
Internal transfers	(9,360)	(37,511)
Transfer of received/ceded reserves	160,392	1,855
Shadow accounting	(279,693)	160,666
Other changes in reserves	(131,336)	22
Insurance contract liabilities on 31 December	**4,822,487**	**5,064,554**

In 2021, the adequacy test for technical provisions did not result in any additional adjustments to the reserves. The last adjustment made was in 2018 and amounted to 66 million euros.

V.14.3.2 Evolution of the reinsurers' share

In thousands of euros	2021	2020
Reinsurers' share in insurance contract liabilities on 1 January	**1,311**	**1,826**
Ceded premiums	-	-
Reinsurers' share in claims costs	-	-
Reinsurers' share in time value	-	-
Transfers	-	-
Other changes in reserves	1,612	(515)
Reinsurers' share in insurance contract liabilities on 31 December	**2,923**	**1,311**

V.14.4 Evolution of investment contract liabilities with profit-sharing (without unit-linked insurance contracts)

V.14.4.1 Evolution of gross values before reinsurance

In thousands of euros	2021	2020
Investment contract liabilities on 1 January	**4,997,580**	**4,769,558**
Premiums	1,128,986	1,093,593
Benefits	(1,129,100)	(1,102,429)
Time value	37,382	43,464
Internal transfers	(137,130)	(7,133)
Transfer of received/ceded reserves	159,097	8,686
Shadow accounting	(164,310)	171,552
Other changes in reserves	7,189	20,287
Investment contract liabilities on 31 December	**4,899,693**	**4,997,580**

The Group did not conclude a reinsurance agreement within the framework of its unit-linked insurance contracts.

V.14.5 Evolution of liabilities related to unit-linked insurance contracts

In thousands of euros	2021	2020
Liabilities related to unit-linked insurance contracts on 1 January	**1,491,140**	**1,394,250**
Premiums	3,465	339
Benefits	(623)	(656)
Revaluation of the provisions	137,603	52,825
Technical result and other transfers	-	-
Internal transfers	(13,987)	44,644
Transfer of received/ceded reserves	160,477	-
Other changes in reserves	(21)	(262)
Liabilities related to unit-linked insurance contracts on 31 December	**1,778,054**	**1,491,140**

The Group did not conclude a reinsurance agreement within the framework of its unit-linked insurance contracts.

Transfers of reserves from the 1st and 2nd pillars have been made from branch 21 to branch 23 for an amount of up to -14 million euros. An amount of 160 million euros in external transfers was received.

V.14.6 Insurance Liability Adequacy Testing

The adequacy of insurance liabilities ("Liability Adequacy Test") is tested using current best estimates of all contractual cash flows, based on the following assumptions:

- Liabilities are updated through an appropriate risk-free interest rate curve in order to take into account the asset and liability management implemented in the company's long-term commitments.
- The surrender law was estimated on the basis of the historic data.

The main accounting estimates and significant judgements are included under point 6 of chapter ***IV. General information***.

The net present value of the cash flows is compared with the corresponding technical liabilities. Any inadequacy is recognized in the income statement.

Unrealized gains observed and recognized on assets covering Life insurance liabilities and investment contracts are allocated to liabilities related to Life insurance contracts and investment contracts via the shadow accounting adjustment.

The tests carried out at end-2021 confirmed the adequacy of the liabilities recognized.

V.15 Financial debts

V.15.1 Changes in financial debts

	2021			
In thousands of euros	**Subordinated debts**	**Lease obligations**	**Other financial debts**	**Total**
Opening balance on 1 January	**487,694**	**35,079**	**685,061**	**1,207,834**
Issuances	-	37,078	97	37,175
Remeasurement	-	(690)	-	(690)
Interests payable	22,442	408	2,738	25,587
Repayments	(22,442)	(19,999)	(19,983)	(62,423)
Foreign currency translation differences on monetary assets	-	-	-	-
Amortizations	3,422	-	-	3,422
Changes in accrued interests not yet due	(9)	-	(1,190)	(1,199)
Issuances of payables arising from repurchase operations (repo)	-	-	525,526	525,526
Repayments of payables arising from repurchase operations (repo)	-	-	(374,706)	(374,706)
Change in bank overdrafts and other debts included in the cash flow statement	-	-	(45,511)	(45,511)
Change in the consolidation scope	-	158	547	705
Reclassifications between categories	-	1,002	(1,002)	-
Other changes	-	8,476	-	8,476
Net book value on 31 December	**491,107**	**61,512**	**771,577**	**1,324,195**

	2020			
In thousands of euros	**Subordinated debts**	**Lease obligations**	**Other financial debts**	**Total**
Opening balance on 1 January	**484,037**	**18,950**	**234,020**	**737,007**
Issuances	-	15,151	8,347	23,497
Remeasurement	-	-	-	-
Interests payable	22,602	699	3,836	27,136
Repayments	(22,602)	(16,727)	(17,544)	(56,873)
Foreign currency translation differences on monetary assets	-	-	-	-
Amortizations	3,671	-	-	3,671
Changes in accrued interests not yet due	(14)	-	(1,939)	(1,953)
Issuances of payables arising from repurchase operations (repo)	-	-	835,867	835,867
Repayments of payables arising from repurchase operations (repo)	-	-	(381,888)	(381,888)
Change in bank overdrafts and other debts included in the cash flow statement	-	-	(11,212)	(11,212)
Change in the consolidation scope	-	-	15,350	15,350
Reclassifications between categories	-	4,206	-	4,206
Other changes	-	12,801	225	13,026
Net book value on 31 December	**487,694**	**35,079**	**685,061**	**1,207,834**

V.15.2 Breakdown by nature

	31 December 2021		31 December 2020	
In thousands of euros	**Balance value**	**Fair value**	**Balance value**	**Fair value**
Convertible subordinated bond loans	-	-	-	-
Non-convertible subordinated bond loans	491,107	575,564	487,694	580,854
Subordinated debts	491,107	**575,564**	**487,694**	**580,854**
Lease obligations	**61,512**	**61,512**	**35,079**	**35,079**
Convertible bond loans	-	-	-	-
Non-convertible bond loans	-	-	-	-
Bank overdrafts	47	47	870	870
Payables arising from repurchase operations (repo)	725,260	725,260	575,631	575,631
Collateral received as guarantee	1,020	1,020	45,708	45,708
Others	45,249	45,249	62,853	62,853
Other financial debts	**771,577**	**771,577**	**685,061**	**685,061**
Total of the financial debts	**1,324,195**	**1,408,652**	**1,207,834**	**1,300,995**

The assessments at fair value of the loans issued in 2015 and the balance of the 2005 perpetual loan, with a total nominal amount of 417 million euros, are based on the “Ask” market price (source Bloomberg). The fair value of the bond loan issued in 2005 with a 2023 maturity, for a nominal amount of 75 million euros, is determined on the basis of observable factors such as the levels of interest rate markets and credit markets. The valuation model is based on the discounting of future cash flows and takes into account the probability of exercise of the various repayment options available to investors.

V.15.3 Breakdown by maturity

In thousands of euros	31 December 2021 Less than 1 year	Between 1 and 5 years	More than 5 years	Undefined	Total of the value in the balance
Convertible subordinated bond loans	-	-	-	-	-
Non-convertible subordinated bond loans	19,686	460,921	10,500	-	491,107
Subordinated debts	**19,686**	**460,921**	**10,500**	**-**	**491,107**
Lease obligations	**18,832**	**34,241**	**8,439**	**-**	**61,512**
Convertible bond loans	-	-	-	-	-
Non-convertible bond loans	-	-	-	-	-
Bank overdrafts	47	-	-	-	47
Payables arising from repurchase operations (repo)	626,958	98,303	-	-	725,260
Collateral received as guarantee	150	870	-	-	1,020
Others	14,541	13,833	9,570	7,305	45,249
Other financial debts	**641,695**	**113,006**	**9,570**	**7,305**	**771,577**
Total of the financial debts	**680,214**	**608,167**	**28,509**	**7,305**	**1,324,195**

In thousands of euros	31 December 2020 Less than 1 year	Between 1 and 5 years	More than 5 years	Undefined	Total of the value in the balance
Convertible subordinated bond loans	-	-	-	-	-
Non-convertible subordinated bond loans	19,685	75,000	393,008	-	487,694
Subordinated debts	**19,685**	**75,000**	**393,008**	**-**	**487,694**
Lease obligations	**13,285**	**15,344**	**6,451**	**-**	**35,079**
Convertible bond loans	-	-	-	-	-
Non-convertible bond loans	-	-	-	-	-
Bank overdrafts	870	-	-	-	870
Payables arising from repurchase operations (repo)	575,631	-	-	-	575,631
Collateral received as guarantee	45,708	-	-	-	45,708
Others	29,318	6,033	27,503	-	62,853
Other financial debts	**651,526**	**6,033**	**27,503**	**-**	**685,061**
Total of the financial debts	**684,496**	**96,377**	**426,961**	**-**	**1,207,834**

The item "maturities less than 1 year" of the bond loans consists of accrued interest not yet due (19.7 million euros at December 31, 2021).

The amortization of issue costs on the non-convertible subordinated bond amounts to 3.8 million euros as of December 31, 2021 (compared to 3.8 million euros as of December 31, 2020).

V.16 Employee benefits

V.16.1 Description of the employee benefits

V.16.1.1 Post-employment benefits

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

Pension benefit obligations

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

- "Defined benefit" pension commitments, according to which a predefined amount, resulting from the application of a formula, will be paid to an employee upon retirement, or during retirement. This amount generally depends on the following factors: number of years of service, salary and statutory pension limits.

- Pension commitments of the "defined contribution" type by which an employer commits up to the amount of a financing. The employer limits his commitment to the payment of contributions and not to a "predetermined" benefit, contrary to the defined benefit schemes. The employees' pension amount is calculated in proportion to the accumulation of the paid and capitalized contributions.

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

At the beginning of July 2017, Ethias SA entrusted the financing of a large part of the "retirement" component of the pension commitments in favour of its employees to the Ethias Pension Fund OFP, the multi-employer pension fund created in May 2017.

With regard to the retirement component of the "defined benefit" commitment type, the entire financing of this component was entrusted to the Ethias Pension Fund OFP for persons in employment on 1 July 2017, which resulted in the transfer of their reserves managed under this group insurance to the Ethias Pension Fund OFP.

For the retirement component of the "defined contribution" commitment type, only future contributions (due from 1 July 2017 onwards) will be paid into the Ethias Pension Fund OFP (the reserves set up in this group insurance until that date will continue to be managed within the frame of the reduced policies).

The "decease and disability" component of supplementary pension commitments remains managed as part of group insurance within the Group.

The debt registered on the balance sheet for the bonds transferred to the Ethias Pension Fund OFP corresponds to the pension obligation minus the representative assets held in the Ethias Pension Fund OFP, i.e. 32 million euros.

The Group remains its own insurer for a bond amounting to 179 million euros. Regarding this obligation, by the fact that the Group itself insures part of the future benefits of the pension schemes allocated to its employees, the representative assets of the pension plans do not correspond with the definition of the scheme in the sense of IAS 19.

Other post-employment benefits

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

V.16.1.2 Long-term benefits

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

V.16.1.3 Termination benefits

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

V.16.2 Overview of employee benefits by nature

The debt for employee benefits is analysed as follows:

In thousands of euros	31 December 2021	31 December 2020
Post-employment benefits	211,413	241,865
Long-term employee benefits	30,074	41,787
Termination benefits	1,781	1,381
Total	**243,268**	**285,032**

The current value of the financed bonds amounts to 437 million euros (the fair value of the assets is 405 million euros) and that of the non-financed bonds is 179 million euros.

Amounts of the projected benefits:

In thousands of euros	2022	2021
Post-employment benefits	20,517	10,334
Long-term employee benefits	10,506	10,855
Termination benefits	-	56
Total	**31,023**	**21,245**

V.16.3 Actuarial assumptions and sensitivity analysis

V.16.3.1 Actuarial assumptions

Debts for employee benefits are calculated on an actuarial basis, based on the projected unit credit method. The main parameters (financial and demographic assumptions) used for the debt calculation are summarized below:

In thousands of euros	31 December 2021	31 December 2020
Discount rate according to duration:		
3 years	**0.00%**	**0.00%**
10 years	0.71%	0.26%
15 years	1.07%	0.45%
25 years	1.23%	0.54%
Expected wage increase	0.65%	0.50%
Inflation rate	1.80%	1.60%
Staff turnover rate:		
For agents of the 148		
in the last 7 years of their career	0.00%	0.00%
otherwise	1.50%	1.50%
For the other groups		
For the DB	1.50%	1.50%
For the DC	4.00%	4.00%
Life table	**32% of MR/FR**	**32% of MR/FR**

The discount rates used to actualize the commitments are defined by reference to the market rate at the closing date of first category corporate bonds with a maturity that is comparable to the maturity of the commitments.

The life assumptions are based on official life tables and on experience observed within the Group. All assumptions reflect the Group's best estimate.

The average duration of the Life benefit of the pension schemes is 15 years

V.16.3.2 Sensitivity analysis

We analysed the impact of the change in the main actuarial assumptions on the debt assessment regarding employee benefits.

This analysis showed that an increase in discount rate with 25 basis points should lower the debt with regard to employee benefits with 19 million euros. A decrease of the same level would however result in a debt increase of 21 million euros.

The impact of an increase with 25 basis points of the expected wage increase rate amounts to 17.3 million euros.

In thousands of euros	31 December 2021	31 December 2020
Discount rate		
Increase in rates with 25 basis points	(19,291)	(21,068)
Decrease in rates with 25 basis points	20,583	22,050
Expected wage increase		
Increase in rates with 25 basis points	17,278	18,444

V.16.4 Change in liabilities of the defined benefit schemes

In thousands of euros	2021	2020
Net liabilities of the defined benefit schemes as of January 1st	**241,865**	**232,012**
Total expenses of the defined benefit schemes	28,421	27,000
Contributions paid by the employer	(20,799)	(32,436)
Benefits paid directly by the employer	(3,473)	(9,740)
Revaluation	(34,601)	25,029
Net liabilities of the defined benefit schemas of December 31st	**211,413**	**241,865**

The main movements in 2021 are a decrease in the contribution paid by Ethias to the OFP and an important increase in discount rates partially offset by the increase in the inflation rate.

V.16.5 Changes in defined benefit scheme obligations and long-term benefits

	2021			2020		
In thousands of euros	Post-employment benefits	Long-term benefits	Total	Post-employment benefits	Long-term benefits	Total
Defined benefit scheme obligation as of January 1st	**615,995**	**41,787**	**657,782**	**571,802**	**52,097**	**623,899**
Cost price of services	31,478	108	31,586	30,433	110	30,543
Interest charges	2,605	4	2,609	5,478	16	5,493
Benefits paid directly by the employer	(3,473)	(12,027)	(15,500)	(9,740)	(10,345)	(20,085)
Benefits paid	(10,008)	-	(10,008)	(10,242)	-	(10,242)
Others	(3,963)	-	(3,963)	(5,558)	-	(5,558)
Revaluation	(16,564)	202	(16,362)	33,822	(91)	33,731
Defined benefit scheme obligation as of December 31st	**616,070**	**30,074**	**646,144**	**615,995**	**41,787**	**657,782**

V.16.6 Change in fair value of the defined benefit scheme assets

In thousands of euros	2021	2020
Fair value of the defined benefit scheme assets as of January 1st	**374,130**	**339,790**
Interest income	1,699	3,352
Employers' contributions	20,799	32,437
Benefits paid	(10,008)	(10,242)
Income of interests on plan assets in excess of interest income	18,037	8,793
Fair value of the defined benefit scheme assets as of December 31st	**404,657**	**374,130**

V.16.7 Allocation of defined benefit scheme assets

	31 December 2021	
In thousands of euros	Value	%
Bonds	255,192	63%
Equities	128,638	32%
Real estate	-	0%
Cash	5,631	1%
Illiquid assets	15,196	4%
Total	**404,657**	**100%**

V.16.8 Items affecting the income statement relating to defined benefit schemes

In thousands of euros	31 December 2021	31 December 2020
Cost price of services	31,478	30,433
Net interest charges	906	2,125
Others	-	-
Total expenses	**32,384**	**32,558**

V.17 Provisions

In thousands of euros	2021 Provisions for disputes	Provisions for financial risks	Other non-technical provisions	Total
Provisions on 1 January	**15,705**	**-**	**12,262**	**27,967**
Provisions (+)	4,821	-	455	5,276
Expenditures (-)	(2,463)	-	(2,774)	(5,237)
Reversals (-)	(1,836)	-	(1,450)	(3,285)
Transfers (+/-)	(55)	-	(265)	(320)
Change in scope	-	-	-	-
Other changes	-	-	-	-
Provisions on 31 December	**16,172**	**-**	**8,229**	**24,401**

In thousands of euros	2020 Provisions for disputes	Provisions for financial risks	Other non-technical provisions	Total
Provisions on 1 January	**13,555**	**1,876**	**16,770**	**32,201**
Provisions (+)	5,441	-	3,689	9,130
Expenditures (-)	(3,393)	-	(5,121)	(8,513)
Reversals (-)	-	(1,876)	(3,076)	(4,952)
Transfers (+/-)	-	-	-	-
Change in scope	102	-	-	102
Other changes	-	-	-	-
Provisions on 31 December	**15,705**	**-**	**12,262**	**27,967**

The increase in provisions for litigation is mainly due to allocations for new risks, offset to a lesser extent by reversals and uses of provisions following the resolution of certain disputes.

V.18 Trade and other payables

V.18.1 Breakdown by nature

In thousands of euros	31 December 2021	31 December 2020
Liabilities arising from direct insurance operations and accepted reinsurance	161,124	150,151
Liabilities arising from ceded reinsurance operations	96,469	133,275
Liabilities from operating activities	**257,593**	**283,426**
Tax on current result	5,091	4,769
Other contributions and taxes	50,960	27,820
Tax liability payable	**56,051**	**32,589**
Social security payables	66,003	67,017
Trade payables	96,119	86,502
Other payables	89,774	74,983
Accruals for liabilities	21,387	14,240
Other payables	**273,283**	**242,742**
Total other payables	**586,926**	**558,757**

Debt arising from direct insurance operations and accepted reinsurance operations include premiums paid prior to maturity, amounts due to various applicants and benefits to be paid.

The other debts mainly include rental guarantees, costs on ring-fenced funds to be liquidated, unallocated payments and stock exchange transactions to be paid.

The accruals mainly include the subsidies to be carried forward and the other income to be carried forward.

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

V.18.2 Breakdown by maturity

	31 December 2021				
In thousands of euros	Less than 1 year	Between 1 and 5 years	More than 5 years	Undefined	Total of the value in the balance
Liabilities arising from direct insurance operations and accepted reinsurance	153,156	688	(310)	7,590	161,124
Liabilities arising from ceded reinsurance operations	8,854	-	-	87,615	96,469
Liabilities from operating activities	**162,010**	**688**	**(310)**	**95,204**	**257,593**
Tax on current result	5,072	-	-	19	5,091
Other contributions and taxes	50,960	-	-	-	50,960
Tax payables	**56,032**	**-**	**-**	**19**	**56,051**
Social security payables	66,003	-	-	-	66,003
Trade payables	95,531	-	-	588	96,119
Other payables	87,947	1,468	-	359	89,774
Accruals for liabilities	21,387	-	-	-	21,387
Other payables	**270,869**	**1,468**	**-**	**947**	**273,283**
Total other payables	**488,910**	**2,156**	**(310)**	**96,170**	**586,926**

	31 December 2020				
In thousands of euros	Less than 1 year	Between 1 and 5 years	More than 5 years	Undefined	Total of the value in the balance
Liabilities arising from direct insurance operations and accepted reinsurance	140,663	503	132	8,853	150,151
Liabilities arising from ceded reinsurance operations	6,460	-	-	126,815	133,275
Liabilities from operating activities	**147,123**	**503**	**132**	**135,667**	**283,426**
Tax on current result	4,769	-	-	-	4,769
Other contributions and taxes	27,820	-	-	-	27,820
Tax payables	**32,589**	**-**	**-**	**-**	**32,589**
Social security payables	66,983	34	-	-	67,017
Trade payables	86,502	-	-	-	86,502
Other payables	73,225	1,758	-	-	74,983
Accruals for liabilities	14,191	27	23	-	14,240
Other payables	**240,901**	**1,818**	**23**	**-**	**242,742**
Total other payables	**420,613**	**2,321**	**155**	**135,667**	**558,757**

VI NOTES TO THE CONSOLIDATED INCOME STATEMENT

VI.1 Income from insurance activities

En milliers d'euros	31 December 2021			
	Insurance contracts		Investment contracts with discretionary participation features Life	Total
	Life	Non-Life		
Gross premiums	233,005	1,404,328	1,129,536	2,766,869
Premiums ceded to reinsurers	(1,362)	(39,195)	-	(40,556)
Change in provision for unearned premiums and outstanding risks (net of reinsurance)	-	230	-	230
Other income from insurance activities	2,764	1,189	451	4,404
Revenues of insurance activities (net of reinsurance)	**234,408**	**1,366,552**	**1,129,987**	**2,730,947**

En milliers d'euros	31 December 2020			
	Insurance contracts		Investment contracts with discretionary participation features Life	Total
	Life	Non-Life		
Gross premiums	243,054	1,382,016	1,095,117	2,720,187
Premiums ceded to reinsurers	(1,506)	(37,835)	-	(39,340)
Change in provision for unearned premiums and outstanding risks (net of reinsurance)	-	(3,498)	-	(3,498)
Other income from insurance activities	3,549	1,284	473	5,307
Revenues of insurance activities (net of reinsurance)	**245,097**	**1,341,968**	**1,095,590**	**2,682,655**

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

VI.2 Technical expenses for insurance activities

En milliers d'euros	31 December 2021			
	Insurance contracts		Investment contracts with discretionary participation features Life	Total
	Life	Non-Life		
Claims and insurance benefits	382,992	1,191,958	1,292,444	2,867,394
Net expenses or revenues ceded to reinsurers	(1,952)	(114,736)	-	(116,688)
Management costs	19,887	282,864	23,430	326,181
Technical expenses for insurance activities	**400,927**	**1,360,086**	**1,315,874**	**3,076,887**

En milliers d'euros	31 December 2020			
	Insurance contracts		Investment contracts with discretionary participation features Life	Total
	Life	Non-Life		
Claims and insurance benefits	356,345	990,475	1,159,139	2,505,959
Net expenses or revenues ceded to reinsurers	(746)	(23,229)	-	(23,975)
Management costs	16,517	277,258	20,782	314,557
Technical expenses for insurance activities	**372,116**	**1,244,504**	**1,179,921**	**2,796,541**

Deposit accounting is applied to expenses and benefits regarding investment contracts without discretionary participation. They are recognized within investment expenses.

Management costs include acquisition costs of the contracts, administrative costs and other technical expenses. Internal and external claim handling costs are included in the expenses and insurance benefits.

VI.3 Net profit (loss) of cessions in reinsurance

In thousands of euros	31 December 2021	31 December 2020
Premiums ceded to reinsurers	(40,556)	(39,340)
Change in provision for unearned premiums - reinsurers' share	(413)	(27)
Net expenses or revenues ceded to reinsurers	116,688	23,975
Net profit (loss) of cessions in reinsurance	**75,719**	**(15,393)**

VI.4 Net profit (loss) of other activities

In thousands of euros	31 December 2021	31 December 2020
Revenues of institutions not being insurance companies	492,903	332,249
Other revenues of institutions not being insurance companies	28,796	15,092
Other revenues related to insurance activities	820	505
Revenues from other activities	**522,519**	**347,846**
Operating expenses of institutions not being insurance companies	(428,737)	(271,946)
Operating expenses of institutions being insurance companies	(6,205)	(6,911)
Other revenues of institutions not being insurance companies	(30,266)	(28,420)
Other expenses of institutions being insurance companies	(29,018)	(17,541)
Expenses for other activities	**(494,225)**	**(324,818)**
Net profit (loss) of other activities	**28,294**	**23,027**

The net profit (loss) of other activities does not include financial revenues or financial expenses. Other revenues and expenses related to insurance activities include non-technical revenues and expenses liberated by the Group's insurance companies.

VI.5 Net financial result without finance costs

In thousands of euros	Net income from investments	Net realized gains or losses on investments	Change in fair value of investments through profit or loss	Change in amortizations and depreciations on investments	Other investment financial expenses	Total
	31 December 2021					
Investment properties	**33,648**	**4,019**	**-**	**(15,621)**	**-**	**22,046**
Available for sale	3,541	15,435	-	(139)	-	18,837
Participating interests	**3,541**	**15,435**	**-**	**(139)**	**-**	**18,837**
Available for sale	33,040	42,696	-	2,518	-	78,254
At fair value through profit or loss	3,576	11,593	162,778	-	-	177,946
Held for trading	147	4,032	(2,518)	-	-	1,660
Shares and investment funds	**36,762**	**58,321**	**160,259**	**2,518**	**-**	**257,860**
Available for sale	293,842	6,494	69	-	-	300,405
At fair value through profit or loss	8,182	(380)	(16,848)	-	-	(9,045)
Unlisted at amortized cost price	-	-	-	-	-	-
Bonds	**302,025**	**6,114**	**(16,779)**	**-**	**-**	**291,359**
Loans, deposits and other financial investments	**15,643**	**-**	**-**	**(4)**	**-**	**15,639**
Held for trading	-	(286)	(211)	-	-	(497)
Held for hedging purposes	(810)	-	(2,345)	-	-	(3,156)
Derivative financial instruments	**(810)**	**(286)**	**(2,556)**	**-**	**-**	**(3,653)**
Investments belonging to unit-linked insurance contracts	**-**	**11**	**2,444**	**-**	**-**	**2,455**
Cash and cash equivalents	**5,704**	**65**	**(73)**	**-**	**-**	**5,697**
Others	**(1,508)**	**-**	**-**	**-**	**(18,363)**	**(19,870)**
Net financial result without finance costs	**395,005**	**83,678**	**143,296**	**(13,246)**	**(18,363)**	**590,371**

In thousands of euros	Net income from investments	Net realized gains or losses on investments	Change in fair value of investments through profit or loss	Change in amortizations and depreciations on investments	Other investment financial expenses	Total
	31 December 2020					
Investment properties	**32,783**	**10,325**	**-**	**(16,409)**	**1,876**	**28,575**
Available for sale	1,737	(2,860)	-	-	-	(1,123)
Participating interests	**1,737**	**(2,860)**	**-**	**-**	**-**	**(1,123)**
Available for sale	16,665	5,433	-	(6,305)	-	15,793
At fair value through profit or loss	2,441	1,852	14,261	-	-	18,555
Held for trading	187	4,215	(1,816)	-	-	2,586
Shares and investment funds	**19,293**	**11,501**	**12,445**	**(6,305)**	**-**	**36,934**
Available for sale	300,022	6,486	3	10,100	-	316,612
At fair value through profit or loss	10,741	1,977	17,808	-	-	30,525
Unlisted at amortized cost price	-	-	-	-	-	-
Bonds	**310,763**	**8,463**	**17,811**	**10,100**	**-**	**347,137**
Loans, deposits and other financial investments	**14,304**	**(5,494)**	**-**	**5,054**	**-**	**13,864**
Held for trading	-	27	(1,207)	-	-	(1,181)
Held for hedging purposes	-	-	130	-	-	130
Derivative financial instruments	**-**	**27**	**(1,078)**	**-**	**-**	**(1,051)**
Investments belonging to unit-linked insurance contracts	**-**	**74**	**427**	**-**	**-**	**502**
Cash and cash equivalents	**5,878**	**-**	**(151)**	**-**	**-**	**5,728**
Others	**2,350**	**-**	**-**	**-**	**(18,165)**	**(15,815)**
Net financial result without finance costs	**387,108**	**22,036**	**29,456**	**(7,560)**	**(16,289)**	**414,752**

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

VI.6 Finance costs

In thousands of euros	31 December 2021	31 December 2020
Expenses related to bond loans	25,855	26,258
Expenses related to lease obligations	408	699
Expenses related to other financial debts	1,547	1,897
Total of the finance costs	**27,810**	**28,854**

VI.7 Expenses by nature and allocation

In thousands of euros	31 December 2021	31 December 2020
Internal claim handling costs	104,082	104,276
Acquisition costs of contracts	82,509	76,175
Management costs	155,774	153,169
Management costs of investments	11,954	10,316
General costs related to other activities	434,942	278,857
Total of the overhead costs by allocation	**789,260**	**622,793**
Employee benefit expenses	349,395	325,783
Rental and leasing expenses	3,494	1,410
Expenses related to operational buildings	8,185	7,462
IT costs	134,599	121,662
Allocations, amortizations and provisions for other risks and expenses	19,781	23,070
Other expenses	279,826	149,108
Recovered overhead costs (-)	(6,020)	(5,702)
Total of the overhead costs by nature	**789,260**	**622,793**

Other expenses mainly consist of contributions, postage expenses, consulting expenses as well as advertising and sponsorship expenses at Ethias and overhead costs related to the other activities of the subsidiaries.

VI.8 Employee benefit expenses

In thousands of euros	31 December 2021	31 December 2020
Wages	238,224	223,442
Social security expenses	64,495	60,646
Post-employment benefits	455	(4,415)
Defined benefit schemes	32,384	32,558
Other long-term benefits	118	178
Other benefits	(1,629)	477
Others	15,347	12,897
Total of the employee benefit expenses	**349,395**	**325,783**

The amount of the expenses included in the income statement on the defined contribution pension schemes mainly comprises the cost of services, the financial cost as well as taxes and contributions inherent in group insurance products. This charge is divided by allocation within the income statement in expenses for insurance benefits (regarding internal claim handling costs, acquisition costs of contracts and administrative costs) and other investment financial expenses (regarding management costs of investments).

Costs under the heading “Others” include termination benefits and benefits in kind granted to the employees.

VI.9 Income taxes

VI.9.1 Overview of the tax expense

In thousands of euros	31 December 2021	31 December 2020
Payable tax	(33,763)	(28,264)
Deferred tax	(1,559)	(42,782)
Income tax on permanent activities	**(35,322)**	**(71,046)**
Payable tax on available-for-sale activities	-	-
Deferred tax on available-for-sale activities	-	-
Tax on available-for-sale activities	**-**	**-**
Total tax expenses recognized through profit or loss	**(35,322)**	**(71,046)**
Tax expenses recognized in other comprehensive income components	**50,335**	**(37,964)**

VI.9.2 Analysis of the tax expenses

The following table presents the reconciliation between expected and actual income tax:

In thousands of euros	31 December 2021	31 December 2020
Profit before tax (excluding contribution from discontinued operations and associated companies)	**244,914**	**295,040**
Theoretical tax rate	**25%**	**25%**
Expected tax expense	**(61,228)**	**(73,760)**
Impact of non-deductible expenses	(12,157)	(24,202)
Impact of non-taxable revenues	26,511	19,775
Impact of fiscal deficits	17,131	39,694
Impact of other temporary differences	(10,412)	(30,117)
Other impacts	4,834	(2,435)
Total of the tax expense adjustments	**25,907**	**2,714**
Real tax expense/proceed	**(35,322)**	**(71,046)**
Effective tax rate	**14%**	**24%**

Impact of non-deductible expenses mainly originates from impairments and losses on realized securities as well as allocations to taxed provisions. Under the heading of non-taxable revenues, the eligible dividends are recognized as definitively taxed income and capital gains and reversed impairments on securities. Added to this are the reversals of taxed provisions. Moreover, fiscal deficits vary according to the use of tax losses carried forward. The other impacts mainly represent the influence of consolidation adjustments on taxes and deduction for the income from innovation. Lastly, other temporary differences include, in particular, taxes resulting from temporary valuation differences on assets and liabilities.

VII NOTES RELATING TO ITEMS NOT INCLUDED IN THE BALANCE SHEET

VII.1 Lease contracts

VII.1.1 Ethias as lessor

Ethias did not conclude contracts that are considered as financial lease contracts. All the information below relates to simple lease contracts concluded by the Group

Minimum amount of the future net rent to be received arising from irrevocable simple lease contracts:

In thousands of euros	31 December 2021	31 December 2020
Past due during the year	40,196	43,272
Within more than one and maximum 5 years	158,764	170,091
Within more than 5 years	330,640	356,471
Total	**529,600**	**569,833**

Rent amount recognized as proceed within the financial year:

In thousands of euros	31 December 2021	31 December 2020
Minimum rent	38,239	34,622
Conditional rent	4,416	3,402
Total	**42,654**	**38,024**

Leased assets mainly relate to real estate.

VII.1.2 Ethias as lessee

The lease contracts entered into by Ethias are detailed in points 4 (" *Right-of-use of assets*") and 15 ("*Financial debts*") of chapter ***V. Notes to the consolidated balance sheet***.

VII.2 Related parties

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

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

- The key management personnel of the Group, who are the directors of Ethias SA;
- The entities exercising joint control or significant influence over the entity, which are the Federal State via the SFPI/FPIM, the Walloon Region via the SRIW, the Flemish Region and EthiasCo;
- The non-consolidated subsidiaries, which are L'ouvrier chez lui (until 2021) and Sire Holding;
- The joint ventures in which the entity is a joint venturer, which are WLP Holding, Belgium DC and Together Services;
- The associated companies, which are IMA Benelux, Ariane Building, AssurCard, Bedrijvencentrum Geraardsbergen, Epimede, Lesgocity, Palais des Expositions Charleroi, NEB Foncière, NEB Participations and Vital Building; and
- The other related parties, viz. Ethias Pension Fund (OFP).

In accordance with IAS 24, the Group lists transactions between related parties.

VII.2.1 Transactions related to the balance sheet

In thousands of euros	The entities exercising joint control or significant influence over the entity.	Non-consolidated subsidiaries	Joint ventures	Associated companies	Other related parties	Total
	31 December 2021					
Loans	120,709	-	52,213	15,780	-	188,702
Receivables	-	-	22	940	-	963
Any other assets	-	-	-	-	-	-
Total assets with related parties	**120,709**	**-**	**52,235**	**16,721**	**-**	**189,664**
Insurance and investment contract liabilities	-	-	-	-	-	-
Financial debts	-	-	-	-	-	-
Trade and other payables	-	-	406	-	-	406
Total liabilities with related parties	**-**	**-**	**406**	**-**	**-**	**406**

In thousands of euros	The entities exercising joint control or significant influence over the entity.	Non-consolidated subsidiaries	Joint ventures	Associated companies	Other related parties	Total
	31 December 2020					
Loans	60,000	-	11,621	19,043	-	90,665
Receivables	-	-	14	1,212	-	1,225
Any other assets	-	-	-	-	-	-
Total assets with related parties	**60,000**	**-**	**11,635**	**20,255**	**-**	**91,890**
Insurance and investment contract liabilities	-	-	-	-	-	-
Financial debts	-	-	-	-	-	-
Trade and other payables	-	-	78	-	-	78
Total liabilities with related parties	**-**	**-**	**78**	**-**	**-**	**78**

In 2021, Ethias granted a loan of 10 million euros to the SRIW, 2.7 million euros to the SFPI/FPIM, 108 million euros to the Walloon and Flemish Regions (see point 1.3 of chapter ***II. Report of the Board of Directors***) and 52 million euros to II Holding.

VII.2.2 Transactions related to revenues and expenses

In thousands of euros	The entities exercising joint control or significant influence over the entity.	Non-consolidated subsidiaries	Joint ventures	Associated companies	Other related parties	Total
	31 December 2021					
Turnover	-	-	133	709	-	842
Operating expenses	98	-	(2,561)	(20,416)	(21,835)	(44,714)
Financial income	35	13	583	2,591	-	3,222
Financial and financing expenses	-	-	-	-	-	-
Total	**133**	**13**	**(1,844)**	**(17,825)**	**(21,835)**	**(40,650)**

In thousands of euros	The entities exercising joint control or significant influence over the entity.	Non-consolidated subsidiaries	Joint ventures	Associated companies	Other related parties	Total
	31 December 2020					
Turnover	-	-	11	1,583	-	1,594
Operating expenses	92	-	(769)	(2,594)	(33,983)	(37,253)
Financial income	-	13	121	2,411	-	2,544
Financial and financing expenses	-	-	-	-	-	-
Total	**92**	**13**	**(637)**	**1,400**	**(33,983)**	**(33,115)**

Operating expenses with associates mainly relate to the services of IMA Benelux.

Operating expenses with other related parties mainly concern invoices paid to the OFP for the employees' group insurance.

VII.2.3 Remunerations for key management personnel

The directors and members of the Executive Committee of Ethias SA are considered as key management personnel. The list of these managers in included under point 10 of chapter ***II. Report of the Board of Directors***.

The total amount of their remunerations includes the following elements:

In thousands of euros	31 December 2021	31 December 2020
Short-term benefits	2,993	2,795
Post-employment benefits	816	784
Termination benefits	391	685
Other long-term benefits	-	-
Remunerations and other benefits for managers and directors	**4,201**	**4,264**

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

None of the key managers have received loans or advances at a preferential interest rate from the Group.

VII.2.4 Other transactions with related parties

In thousands of euros	Entities exercising joint control or significant influence over the entity	Non-consolidated subsidiaries	Joint ventures	Associated companies	Other related parties	Total
	31 December 2021					
Commitments and guarantees given	105,300	-	27,711	-	-	133,011
Commitments and guarantees received	178,056	-	-	-	-	178,056
Total	**283,356**	**-**	**27,711**	**-**	**-**	**311,067**

In thousands of euros	Entities exercising joint control or significant influence over the entity	Non-consolidated subsidiaries	Joint ventures	Associated companies	Other related parties	Total
	31 December 2020					
Commitments and guarantees given	40,000	-	61,580	-	-	101,580
Commitments and guarantees received	-	-	-	-	-	-
Total	**40,000**	**-**	**61,580**	**-**	**-**	**101,580**

As of December 31, 2021, Ethias has a lending commitment of 90 million euros to the SRIW and of 15.3 million euros to the SFPI/FPIM, as well as a commitment of 27.7 million euros to WLP Holding. In addition, Ethias also received a commitment from the Regions for an amount of 178 million euros relating to the flooding (see point 1.3 of chapter ***II. Report of the Board of Directors***). As of December 31, 2020, Ethias' commitments to SRIW amounted to 40 million euros and to WLP Holding to 61.6 million euros.

VII.3 Fees of the Statutory Auditor

In thousands of euros	31 December 2021	31 December 2020
Fees for audit services	995	976
Fees for services relating to audit services	50	76
Fees for fiscal advice	-	48
Other fees for non-audit services	19	314
Total	**1,064**	**1,413**

VII.4 Commitments

VII.4.1 Received commitments

In thousands of euros	31 December 2021	31 December 2020
Guarantee commitments	711,967	708,041
Finance commitment	1,798	5,219
Other received commitments	178,056	-
Total	**891,821**	**713,260**

Guarantee commitments mainly include guarantees linked to mortgage loans granted by the Group.

The other commitments received concern the estimated amounts borne by the government as provided for in the protocol signed with the Regions regarding the flooding (see point 1.3 of chapter ***II. Report of the Board of Directors***).

VII.4.2 Given commitments

In thousands of euros	31 December 2021	31 December 2020
Guarantee commitments with regard to financing	-	-
Other guarantee commitments	11,357	11,985
Commitments on securities	845,360	582,961
Other given commitments	519,083	457,233
Total	**1,375,799**	**1,052,179**

Other guarantee commitments mainly include securities pledged as collateral under an accepted reinsurance contract taken over by Ethias SA.

The commitments on securities include repurchase operations for 728.4 million euros at December 31, 2021 (compared to 577.6 million at December 31, 2020) following the implementation of an investment programme financed by repos as well as securities paid as collateral for 116.9 millions at December 31, 2021.

Other given commitments consist mainly of commitments to acquire securities (in bond funds, equity funds, infrastructure funds) and loans.

VII.5 Contingent liabilities

The contingent liability previously reported and arising from a dispute between Ethias and an institutional client is no longer included as a contingent liability. A provision for risks and charges was namely set aside in 2021 following the agreement reached between the two parties.

VII.6 Events after the reporting period that do not give rise to adjustments

Events after the reporting date are listed under point 6 of chapter ***II. Report of the Board of Directors***.

VIII OTHER INFORMATION

VIII.1 Statutory auditor's report on the consolidated financial statements for the year ended 31 December 2021

FREE TRANSLATION

STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF ETHIAS SA/NV ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

We present to you our statutory auditor's report in the context of our statutory audit of the consolidated accounts of Ethias SA/NV (the "Company") and its subsidiaries (jointly "the Group"). This report includes our report on the consolidated accounts, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting d.d. 20 May 2020, following the proposal formulated by the board of directors and following the recommendation by the audit and risk committee and the proposal formulated by the workers' council. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2022. We have performed the statutory audit of the Company's consolidated accounts for fourteen consecutive years.

Report on the consolidated accounts

Unqualified opinion

We have performed the statutory audit of the Group's consolidated financial statements, which comprise the consolidated balance sheet as at 31 December 2021, as well as the consolidated income statement, the statement of consolidated comprehensive income, the consolidated cash flows statement and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which are characterised by a consolidated balance sheet total of EUR '000' 21.186.346 and a net consolidated profit for the year of EUR '000' 209.162.

In our opinion, the consolidated accounts give a true and fair view of the Group's net equity and consolidated financial position as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB which are applicable to the year-end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the "*Statutory auditor's responsibilities for the audit of the consolidated accounts"* section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated accounts in Belgium, including the requirements related to independence.

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We have obtained from the board of directors and Company 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated accounts of the current period. These matters were addressed in the context of our audit of the consolidated accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<u>Adequacy of insurance and investment contract liabilities</u>

Description of the key audit matter

As at 31 December 2021, insurance and investment contract liabilities amount to EUR '000' 15.763.065 and represent 74% of the total of the consolidated statement of financial position (see appendix V.14 of consolidated accounts).

The adequacy test of these liabilities is complex and relies on a significant degree of judgment. The assumptions made in the adequacy test of these liabilities may be influenced by economic conditions, future management actions as well as by the laws and regulations applicable to the Group.

Given the materiality of these liabilities in the consolidated accounts as well as the risk of inadequacy, we consider the adequacy of these liabilities to be a key audit matter.

How our audit addressed the key audit matter

Assisted by our internal actuarial experts, we reviewed the design and tested the operational effectiveness of the key controls put in place by the Group to guarantee the adequacy of these liabilities. We have also paid particular attention to the controls implemented by the Group in order to ensure the quality of the data used in the context of the adequacy test of these liabilities relating to insurance and investment contracts.

We have also assessed the relevance of the adequacy test of these liabilities, considering the current market conditions as well as its adequacy in relation to the technical results observed during the past financial year.

Finally, we performed an independent test on the adequacy of these liabilities and compared it with the amounts determined by the Group.

Note that we have shared and corroborated our conclusions with the actuaries and the actuarial function of the Group.

Based on our audit, we believe that the assumptions used to determine the adequacy of insurance and investment contract liabilities are reasonable. The independent tests we carried out did not reveal any exceptions as to the adequacy of these liabilities.

<u>Valuation of financial assets and liabilities for which no quoted prices in active markets are available ("levels 2 and 3")</u>

Description of the key audit matter

The Group holds financial assets and liabilities for which there is no quoted price in an active market. As mentioned in Note V.6 to the consolidated accounts, the fair value of a certain number of these financial instruments is determined using valuation techniques, whether or not based on observable market data.

As at 31 December 2021, the Group holds level 2 financial assets with a fair value of EUR '000' 1.932.577, level 2 financial liabilities with a fair value of EUR '000' 148.375 and level 3 financial assets with a fair value of EUR '000' 620.759.

In particular, the fair value of level 2 financial instruments is based on data that are observable either directly or indirectly and are estimated using external and independent quotations. The fair value of level 3 financial instruments is estimated using a valuation model, of which the inputs are not observable on the market.

The valuation of these financial instruments is a key audit matter due to the importance of the estimates made and whose assumptions may not be observable on the market.

How our audit addressed the key audit matter

We have reviewed the design and operational effectiveness of the key controls put in place by the Group to guarantee the accuracy of the valuation of these level 2 and 3 financial instruments.

For a sample of financial instruments, we have also reviewed the estimates made and the key assumptions used in determining their fair value. We also performed tests on the standing data used in determining the fair value.

Finally, we involved experts in the valuation of financial instruments who independently recalculated the fair value for a sample of financial instruments.

We believe that the key assumptions used in determining the fair value of these financial instruments are reasonable. The independent tests we performed did not reveal any exceptions in determining the fair value of financial instruments for which a quoted price in an active market is not available.

Responsibilities of the board of directors for the preparation of the consolidated accounts

The board of directors is responsible for the preparation of consolidated accounts that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determine is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated accounts

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated accounts.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated accounts in Belgium. A statutory audit does not provide any assurance as to the Group's future viability nor as to the efficiency or effectiveness of the board of directors' current or future business management at Group level. Our responsibilities in respect of the use of the going concern basis of accounting by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit and risk committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit and risk committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit and risk committee, we determine those matters that were of most significance in the audit of the consolidated accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated accounts, the separate report on non-financial information and the other information included in the annual report on the consolidated accounts.

Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report on the consolidated accounts, the separate report on non-financial information and the other information included in the annual report on the consolidated accounts and to report on these matters.

Aspects related to the directors' report on the consolidated accounts and to the other information included in the annual report on the consolidated accounts

In our opinion, after having performed specific procedures in relation to the directors' report on the consolidated accounts, this directors' report is consistent with the consolidated accounts for the year under audit and is prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report on the consolidated accounts and the other information included in the annual report on the consolidated accounts, is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

The non-financial information required by the article 3:2, §2 of the Companies' and Associations' Code is included in a separate report. The report of non-financial information contains the information required by virtue of article 3:32, §2 of the Companies' and Associations' Code, and agrees with the consolidated accounts for the same year. The Company has prepared the non-financial information, based on the internationally recognized reference framework "UN Global Compact". However, in accordance with article 3:80, §1, 5° of the Companies' and Associations' Code, we do not express an opinion as to whether the non-financial information has been prepared in accordance with the said reference frameworks.

Statement related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated accounts, and our registered audit firm remained independent of the Group in the course of our mandate.
- The fees for additional services which are compatible with the statutory audit of the consolidated accounts referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the consolidated accounts.

Other statements

This report is consistent with the additional report to the audit and risk committee referred to in article 11 of the Regulation (EU) N° 537/2014.

Diegem, 8 April 2022

The statutory auditor
PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV
Represented by

Tom Meuleman
Réviseur d'Entreprises / Bedrijfsrevisor

IX ANNUAL ACCOUNTS OF ETHIAS SA

IX.1 Balance sheet

Assets	2021	2020
B.Intangible assets	**110,453,754**	**113,309,350**
I. Formation expenses	448	10,337
II.Intangible assets	110,453,306	113,299,013
1. Goodwill	33,317,125	39,308,695
2. Other intangible assets	57,932,046	66,688,371
3. Advance payments	19,204,135	7,301,947
C.Investments	**15,983,236,833**	**15,347,455,382**
I. Land and properties	147,945,176	204,542,669
1. Real estate for corporate purposes	5,439,251	56,139,658
2. Others	142,505,925	148,403,011
II. Investments in associated companies and participations	464,743,040	426,095,785
- Associated companies	410,498,678	372,286,261
1. Participating interests	410,498,678	372,286,261
2. Certificates, bonds and receivables	0	0
- Other companies linked by a participating interest	54,244,362	53,809,524
3. Participating interests	41,092,558	39,397,591
4. Certificates, bonds and receivables	13,151,804	14,411,933
III. Other financial investments	15,366,753,409	14,712,928,293
1. Equities, shares and other variable-income securities	702,810,540	645,417,350
2. Bonds and other fixed-income securities	13,612,416,270	13,264,262,157
4. Mortgage loans and mortgage credits	231,059,487	360,478,259
5. Other loans	798,470,910	441,611,865
6. Deposits with credit institutions	21,991,732	1,118,050
7. Others	4,470	40,612
IV. Deposits with ceding companies	3,795,208	3,888,635
D.Investments related to operations linked to a "Life" business investment fund whose investment risk is not borne by the company	**1,778,054,022**	**1,491,140,460**
Dbis. Reinsurers' share of technical provisions	**225,729,774**	**157,602,457**
I. Provision for unearned premiums and outstanding risks	64,649	477,596
II. Provision for Life insurance	2,923,417	1,311,168
III. Provision for claims to be paid	222,741,708	155,813,693
E. Receivables	**445,578,103**	**426,194,548**
I. Receivables arising from direct insurance operations	212,525,979	215,891,989
1. Policyholders	113,122,373	102,200,937
2. Insurance intermediaries	17,310,715	28,075,401
3. Others	82,092,891	85,615,651
II. Receivables arising from reinsurance operations	113,721,527	124,131,885
III. Other receivables	119,330,597	86,170,674
F. Other asset items	**371,610,820**	**501,047,885**
I. Tangible assets	18,634,941	21,254,974
II. Available values	352,975,879	479,792,911
G. Accruals	**175,583,193**	**187,516,414**
I. Interest and rent earned but not yet due	175,583,193	187,516,414
Total assets	**19,090,246,499**	**18,224,266,496**

Liabilities	2021	2020
A.Equity	**1,528,203,983**	**1,461,309,677**
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	1,660,619	19,731,395
IV. Reserves	78,776,548	67,399,565
1. Statutory reserve	64,150,000	54,650,000
3. Untaxed reserves	12,584,073	10,964,784
4. Available reserves	2,042,475	1,784,781
V. Result carried forward	447,766,816	374,178,717
1. Profit carried forward	447,766,816	374,178,717
B.Subordinated debts	**474,920,678**	**471,508,397**
Bbis Funds for future appropriations	**18,378,650**	**18,378,650**
C.Technical provisions	**13,826,929,300**	**13,515,881,834**
I. Provisions for unearned premiums and outstanding risks	295,804,097	296,446,682
II. Provision for Life insurance	9,556,734,162	9,446,282,976
III. Provision for claims to be paid	3,716,785,219	3,502,651,600
IV. Provision for profit sharing and refunds	43,587,400	40,132,859
V. Equalization and catastrophe provision	7,999,520	24,622,014
VI. C.Other technical provisions	206,018,902	205,745,703
D.Technical provisions related to operations linked to a Life business investment fund whose investment risk is not borne by the company	**1,778,054,022**	**1,491,140,460**
E. Provisions for other risks and costs	**57,911,114**	**64,691,130**
I.Provisions for pensions and similar liabilities	0	55,592
II.Provisions for taxes	3,388,783	3,514,901
III.Other provisions	54,522,331	61,120,637
F. Deposits received from reinsurers	**87,614,523**	**126,814,641**
G. Debts	**1,206,415,351**	**1,055,651,551**
I. Liabilities arising from direct insurance operations	161,123,997	152,084,056
II. Reinsurance payables	8,854,046	6,459,894
IV. Debts owed to credit institutions	729,496,657	624,180,419
V. Other debts	306,940,651	272,927,182
1. Amounts payable for taxes, remuneration and social security	78,405,358	60,868,284
a) taxes	41,291,242	21,083,475
b) remunerations and social security costs	37,114,116	39,784,809
2. Others	228,535,293	212,058,898
H. Accruals	**111,818,878**	**18,890,156**
Total liabilities	**19,090,246,499**	**18,224,266,496**

IX.2 Income statement

I. Technical account Non-Life	2021	2020
1.Earned premiums, net of reinsurance	**1,365,362,599**	**1,340,683,654**
a) Gross premiums	1,404,327,739	1,382,016,259
Outgoing reinsurance premiums (-)	-39,194,778	-37,834,669
Change in the provision for unearned premiums and outstanding risks, gross of reinsurance (increase -, decrease +)	642,585	-3,470,447
Change in the provision for unearned premiums and outstanding risks, reinsurers' share (increase +, decrease -)	-412,947	-27,489
2bis.Investment income	**129,321,439**	**122,269,535**
a) Income from investments in associated companies or companies linked by a participating interest	3,243,350	1,824,458
aa) associated companies	390,854	366,562
1° participating interests	197,156	366,562
2° certificates, bonds and receivables	193,698	0
bb) other companies linked by a participating interest	2,852,496	1,457,896
1° participating interests	2,709,825	1,002,481
2° certificates, bonds and receivables	142,671	455,415
b) Income from other investments	101,802,404	97,002,857
aa) income from land and properties	1,341,566	1,396,717
bb) income from other investments	100,460,838	95,606,140
c) Write-back of value adjustments on investments	1,612,551	12,546,182
d) Gains on disposal	22,663,134	10,896,038
3.Other technical income, net of reinsurance	**1,189,171**	**1,284,499**
4.Claims costs, net of reinsurance (-)	**-1,082,915,435**	**-975,400,744**
a) Net amounts paid	946,642,838	930,331,378
aa) gross amounts	990,183,567	948,960,637
bb) reinsurers' share (-)	-43,540,729	-18,629,259
	136,272,597	45,069,366
aa) change in provision for claims to be paid, gross of reinsurance (increase +, decrease -)	203,200,612	45,864,155
bb) change in provision for claims to be paid, reinsurers' share (increase -, decrease +)	-66,928,015	-794,789
5.Change in the other technical provisions, net of reinsurance (increase -, decrease +)	**-273,199**	**153,159**
6.Profit sharing and refunds, net of reinsurance (-)	**-3,752,722**	**-3,325,068**
7.Net operating costs (-)	**-250,089,664**	**-251,178,969**
a) Acquisition costs	119,849,869	115,234,159
c) Administrative costs	134,507,098	139,773,256
d) Commissions received from the reinsurers and participating interests (-)	-4,267,303	-3,828,446
7bis.Investment-related costs (-)	**-14,433,840**	**-22,899,542**
a) Investment management costs	6,658,183	3,407,128
b) Value adjustments on investments	3,656,575	5,995,465
c) Losses on disposal	4,119,082	13,496,949
8.Other technical costs, net of reinsurance (-)	**-40,188,310**	**-38,191,172**
9.Change in provision for equalization and catastrophe, net of reinsurance (increase -, decrease +)	**16,622,494**	**-6,062,656**
10.Result of the Non-Life technical account		
Profit (+)	**120,842,533**	**167,332,696**

II.Life technical account	2021	2020
1.Premiums, net of reinsurance	**1,373,062,558**	**1,346,259,820**
a) Gross premiums	1,374,424,237	1,347,765,477
Outgoing reinsurance premiums (-)	-1,361,679	-1,505,657
2.Investment income	**360,091,317**	**340,185,593**
a) Income from investments in associated companies or companies linked by a participating interest	5,897,328	11,955,527
aa) associated companies	4,870,793	10,905,306
1° participating interests	4,731,202	10,905,306
2° certificates, bonds and receivables	139,591	0
bb) other companies linked by a participating interest	1,026,535	1,050,221
1° participating interests	818,333	722,021
2° certificates, bonds and receivables	208,202	328,200
b) Income from other investments	273,429,743	272,568,792
aa) income from land and properties	10,684,787	11,480,682
bb) income from other investments	262,744,956	261,088,110
c) Write-back of value adjustments on investments	4,218,230	10,660,415
d) Gains on disposal	76,546,016	45,000,859
3.Value adjustments on investments of the assets side D. (income)	**225,818,741**	**245,849,863**
4.Other technical income, net of reinsurance	**3,223,674**	**4,109,126**
5.Claims costs, net of reinsurance (-)	**-1,436,969,444**	**-1,400,581,881**
a) Net amounts paid	1,436,969,444	1,400,581,881
aa) gross amounts	1,437,309,411	1,401,955,004
bb) reinsurers' share (-)	-339,967	-1,373,123
Change in provision for claims to be paid, net of reinsurance (increase +, decrease -)	0	0
aa) change in provision for claims to be paid, gross of reinsurance (increase +, decrease -)	0	0
bb) change in provision for claims to be paid, reinsurers' share (increase -, decrease +)	0	0
6.Change in the other technical provisions, net of reinsurance (increase -, decrease +)	**-235,363,193**	**-162,024,920**
a) Change in provision for Life insurance, net of reinsurance (increase -, decrease +)	-94,939,505	-109,778,960
aa) change in provision for Life insurance, gross of reinsurance (increase -, decrease +)	-96,551,754	-109,263,691
bb) change in provision for Life insurance, reinsurers' share (increase +, decrease -)	1,612,249	-515,269
b) Change in the other technical provisions, net of reinsurance	-140,423,688	-52,245,960
7.Profit sharing and refunds, net of reinsurance (-)	-3,454,541	13,552,553
8.Net operating costs (-)	-39,750,183	-33,780,003
a) Acquisition costs	7,994,321	6,606,982
c) Administrative costs	31,755,862	27,061,130
d) Commissions received from the reinsurers and profit sharings (-)	0	111,891
9.Investment-related costs (-)	**-40,888,805**	**-60,123,457**
a) Investment management costs	18,041,465	15,022,129
b) Value adjustments on investments	8,078,153	16,810,015
c) Losses on disposal	14,769,187	28,291,313
10.Value adjustments on investments of the assets side D. (costs) (-)	**-93,521,082**	**-194,139,689**
11.Other technical costs, net of reinsurance (-)	**-10,290,608**	**-6,277,033**
12bis. Change in fund for future appropriations (increase -, reduction +)	**0**	**-12,000,000**
13.Result of the Life technical account		
Profit (+)	**101,958,434**	**81,029,972**

III.Non-technical account	2021	2020
1.Result of the Non-Life technical account		
Profit (+)	120,842,533	167,332,696
2.Result of the Life technical account		
Profit (+)	101,958,434	81,029,972
3.Investment income	**16,997,387**	**11,577,673**
a) Income from investments in associated companies or companies linked by a participating interest	6,960,588	6,838,830
b) Income from other investments	4,624,855	4,570,491
bb) income from other investments	4,624,855	4,570,491
c) Write-back of value adjustments on investments	0	121,572
d) Gains on disposal	5,411,944	46,780
5.Investment-related costs (-)	**-26,112,992**	**-26,344,232**
a) Investment management costs	26,097,425	26,016,530
b) Value adjustments on investments	0	0
c) Losses on disposal	15,567	327,702
7.Other income	**18,273,224**	**11,142,081**
8.Other costs (-)	**-22,524,928**	**-21,873,508**
8bis.Current result before taxes		
Profit (+)	209,433,658	222,864,682
12. Exceptional costs (-)	**-2,309,653**	**0**
15.Income taxes (-/+)	**-17,542,736**	**-18,300,000**
15bis. Deferred taxes (-/+)	**126,119**	**76,931**
16.Result of the financial year		
Profit (+)	189,707,388	204,641,613
17.a) Withdrawal from the untaxed reserves	**378,357**	**197,735**
b) Transfer to the untaxed reserves (-)	**-1,997,645**	**-1,976,174**
18.Result for the period to be appropriated		
Profit (+)	188,088,100	202,863,174

Appropriation and withdrawal	2021	2020
A.Profit to be appropriated	**562,266,816**	**487,378,716**
1. Profit for the period available for appropriation	188,088,100	202,863,174
2. Profit carried forward from the previous period	374,178,716	284,515,542
B.Charge to shareholders' equity	**0**	**0**
2. to reserves	0	0
C.Transfers to equity (-)	**-9,500,000**	**-10,200,000**
2. to the statutory reserve	-9,500,000	-10,200,000
D.Result to be carried forward		
1. Profit to be carried forward (-)	-447,766,816	-374,178,716
F.Profit to be distributed (-)	**-105,000,000**	**-103,000,000**
1. Remuneration of capital	105,000,000	103,000,000

IX.3 Notes

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. Participating interests in associated companies	C.II.2. Certificates, bonds and receivables in associated companies
a) Acquisition value				
Previous year end	231,833,725	271,251,975	304,157,884	0
Changes during the year:				
- Acquisitions	17,390,204	5,632,470	44,853,735	0
- Disposals and withdrawals	3,002,223	104,804,218	7,316,423	0
- Reclassified between headings	0	0	0	0
- Other changes	0	0	0	0
Year end	246,221,706	172,080,227	341,695,196	0
b) Increase in value				
Previous year end	0	25,053,340	72,345,152	0
Changes during the year:				
- Decided	0	0	0	0
- Cancelled	0	0	0	0
- Reclassified between headings	0	0	0	0
Year end	0	25,053,340	72,345,152	0
c) Reductions in value				
Previous year end	118,524,375	91,762,646	4,216,775	0
Changes during the year:				
- Decided	20,039,905	6,988,618	0	0
- Written back as excessive	0	0	675,105	0
- Cancelled	2,796,328	49,562,873	0	0
- Transfers from one heading to another	0	0	0	0
Year end	135,767,952	49,188,391	3,541,670	0
d) Amounts not called up				
Previous year end	0	0	0	0
Changes during the year:	0	0	0	0
Year end	0	0	0	0
Net book value, year end	**110,453,754**	**147,945,176**	**410,498,678**	**0**

Name	C.II.3. Stakes in companies linked by a participating interest	C.II.4. Certificates, bonds and receivables in companies linked by a participating interest	C.III.1. Equities, shares and other variable-income securities	C.III.2. Bonds and other fixed-income securities
	Asset items concerned			
a) Acquisition value				
Previous year end	56,828,346	14,411,933	659,073,051	13,536,496,626
Changes during the year:				
- Acquisitions	4,554,456	0	391,373,085	2,842,998,517
- Disposals and withdrawals	621,320	1,260,129	299,925,093	2,444,235,056
- Reclassified between headings	0	0	0	0
- Other changes	0	0	0	-7,500,000
Year end	60,761,482	13,151,804	750,521,043	13,927,760,087
b) Increase in value				
Previous year end	0	0	0	0
Changes during the year:				
- Decided	0	0	0	0
- Cancelled	0	0	0	0
- Reclassified between headings	0	0	0	0
Year end	0	0	0	0
c) Reductions in value				
Previous year end	10,748,221	0	11,309,701	272,234,469
Changes during the year:				
- Decided	37,393	0	4,424,457	48,187,725
- Written back as excessive	0	0	1,342,073	358,000
- Cancelled	20,968	0	3,227,582	4,720,377
- Transfers from one heading to another	0	0	0	0
Year end	10,764,646	0	11,164,503	315,343,817
d) Amounts not called up				
Previous year end	6,682,534	0	2,346,000	0
Changes during the year:	2,221,743	0	34,200,000	0
Year end	8,904,277	0	36,546,000	0
Net book value, year end	**41,092,558**	**13,151,804**	**702,810,540**	**13,612,416,270**

N° 2. Statement of participating 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	Social rights held by directly %	by the subsi-diaries %	Financial statements as of	Currency	Data extracted from the last available annual report: Equity (in thousands of currency units)	Net profit or loss (+) or (-) (in thousands of currency units)
Air Properties SA Rue Léon Laval 12, L-3372 Leudelange B179.427	140,411	65	0	12/31/2020	EUR	9,295	1,238
Ankaret Invest SA Rue des Croisiers, 24 B-4000 Liège BE 0438.840.866	2,368,879	100	0	12/31/2020	EUR	17,668	-417
Archeion SA Rue des Croisiers, 24 B-4000 Liège BE 0832.269.896	28,410	100	0	12/31/2020	EUR	2,172	111
Ariane Building SA Place Saint-Jacques, 11/104 B-4000 Liège BE 0862.467.382	8,050	25	0	12/31/2020	EUR	-1,772	-7,177
Ariane Real Estate (ARE) SA Rue des Croisiers, 24 B-4000 Liège BE 0898.866.435	200	100	0	12/31/2020	EUR	8,309	-27
Assurcard NV Fonteinstraat 1A/301 B-3000 Leuven BE 0475.433.127	900	20	0	12/31/2020	EUR	3,078	125

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 or loss (+) or (-) (in thousands of currency units)
Bedrijvencentrum regio Geraardsbergen Herenveld 2 -9500 Geraardsbergen BE 0456.832.584	32	28	0	12/31/2020	EUR	877	18
Bora SA Rue des Croisiers 24 B-4000 Liège BE 0444.533.281	484	100	0	12/31/2020	EUR	5,766	-56
Centrexperts Avenue Franklin Roosevelt 104/1 1330 Rixensart BE 0463.891.315	80	10	0	12/31/2020	EUR	169	14
De Oostendse Haard asbl Nieuwpoortsesteenweg, 205 B-8400 Ostende BE 0405.277.282	1,400	16	0	12/31/2020	EUR	20,431	681
E.D.A. SA Avenue de la Cokerie 3 B-4030 Grivegnée BE 0823.162.982	10	10	0	12/31/2020	EUR	300	14
Epimède SA Lambert Lombard, 3 B-4000 Liège BE 0634.750.380	2,080	20	0	6/30/2021	EUR	10,416	5,878
Ethias Patrimoine SA Rue des Croisiers, 24 B-4000 Liège BE 0894.377.612	40	100	0	12/31/2020	EUR	21,786	978
Ethias Services SA Rue des Croisiers, 24 B-4000 Liège BE 0825.876.113	999	100	0	12/31/2020	EUR	453	66
Ethias Sustainable Investment Fund SA (European Equities High Yield) Rue des Croisiers, 24 B-4000 Liège BE 865.127.063	256,136	92	8	12/31/2020	EUR	89,921	-7,620
Ethias Sustainable Investment Fund SA (Global Equities) Rue des Croisiers, 24 B-4000 Liège BE 865.127.063	21,767	100	0	12/31/2020	EUR	21,034	-1,575
Expertisebureau Bellefroid NV Kiewitstraat 175 B-3500 Hasselt BE 0429.884.105	13	10	0	12/31/2020	EUR	704	-17
Foncière du Berlaymont sprl Rue des Croisiers, 24 B-4000 Liège BE 0833.012.640	1,000	100	0	12/31/2020	EUR	189	-41
Green4you SA boulevard du Roi Albert II 7, B-1210 Saint-Josse-ten-Noode BE 0778.652.157	2,600	26	0				
Het Gehucht SA rue des Croisiers, 24 B-4000 Liège BE 0808.840.636	500	100	0	12/31/2020	EUR	1,398	-13
Idelux Développement Drève de l'Arc-en-ciel,98 B-6700 Arlon BE 0205.797.475	75	15	0	12/31/2020	EUR	78,378	5,278
IMA Benelux square des Conduites d'Eau 11-12, B-4020 Liège BE 0474.851.226	16,500	33	0	12/31/2020	EUR	2,391	-669
Immo Hofveld SA rue des Croisiers, 24 B-4000 Liège BE 0889.535.233	1,000	100	0	12/31/2020	EUR	1,326	88
Immovivegnis SA rue des Croisiers, 24 B-4000 Liège BE 0463.660.394	10,500	100	0	12/31/2020	EUR	35	-26
Impulse Microfinance Investment Fund Sneeuwbeslaan, 20/2 B-2610 Wilrijk BE 0870.792.160	1,200	11	0	12/31/2020	EUR	1,216	-37
Jan Dockx SA rue des Croisiers, 24 B-4000 Liège BE 0458.920.757	2,500	100	0	12/31/2020	EUR	2,103	-45
Koala SA rue des Croisiers 24, B-4000 Liège BE 0873.412.150	400	100	0	12/31/2020	EUR	4,379	22
Lothian Developments IV SA rue des Croisiers, 24 B-4000 Liège BE 0463.648.518	1,012,873	100	0	12/31/2020	EUR	2,985	244
Maison de l'assurance Square de Meeûs, 29 B-1000 Bruxelles BE 0403.306.501	2,776	11	0	12/31/2020	EUR	2,800	18
Naos SA Rue Léon Laval 12, L-3372 Leudelange B 207.559	670,000	67	0	12/31/2020	EUR	11,495	1,107
Network Research Belgium SA P.l. des Hauts-Sarts 2ème avenue, 65 B-4040 Herstal BE 0430.502.430	42,530	68	0	12/31/2020	EUR	98,156	28,806
Officenter Hasselt Hendrik van Veldekesingel 150, B-3500 Hasselt BE.0821.194.476	13	13	0	12/31/2020	EUR	1,058	78
Palais des expositions congrès de charleroi rue de robiano, 74 B-7130 Binche BE 0401.553.571	9,856	23	0	12/31/2020	EUR	-134	-65
Sagitta SA rue des Croisisers 24, B-4000 Liège BE 0812.356.489	240	100	0	12/31/2020	EUR	2,840	25
NEB Foncière SA rue Louvrex, 95 B-4000 Liège BE 0480.029.838	145	29	0	12/31/2020	EUR	127	-139
NEB Participations SA rue Louvrex, 95 B-4000 Liège BE 0480.029.739	60,503	29	0	12/31/2020	EUR	65,270	6,594
Real Goed Invest SA rue des Croisiers, 24 B 4000 Liège BE 0872.354.157	1,046	100	0	12/31/2020	EUR	2,589	116
Veran Real Estate CY SA rue des Croisiers, 24 B-4000 Liège BE 0894.106.012	100	100	0	12/31/2020	EUR	4,698	-53
Vital Building SA Place Saint-Jacques, 11/105 B-4000 Liège BE 0875.171.810	5,000	50	0	12/31/2020	EUR	4,803	197
Weerts Logistic Parks Holding varnstraat, 2 3793 Teuven BE 0837.446.629	55,519,377	50	0	12/31/2020	EUR	51,858	-53

Nº 3. Actual value of investments

Asset items	Amounts
C. Investments	**17,993,784,868**
I. Land and properties	161,514,439
II. Investments in associated companies and participations	831,271,326
- Associated companies	687,730,961
1. Participating interests	687,730,961
2. Certificates, bonds and receivables	0
- Other companies linked by a participating interest	143,540,365
3. Participating interests	129,911,072
4. Certificates, bonds and receivables	13,629,293
III. Other financial investments	16,996,887,421
1. Equities, shares and other variable-income securities	1,029,193,286
2. Bonds and other fixed-income securities	14,901,783,433
4. Mortgage loans and mortgage credits	243,241,549
5. Other loans	800,672,951
6. Deposits with credit institutions	21,991,732
7. Others	4,470
IV. Deposits with ceding companies	4,111,682

Nº 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
Forward swaps, volume: € 100,000,000, rate risk	-94,119,659	-99,050,144
Foward bonds, volume: € 621,000,000, credit risk	0	-288,276

For financial fixed assets included in items C.II. and C.III. carried at an amount in excess of their fair value: the net book value and the fair value of either the individual assets or appropriate groupings of those individual assets	Net book value	Fair value
C.II.1 Investments in associated companies and participations - participating interests	157,659,216	153,316,387
C.II.3 Investments in associated companies and participations - participating interests	5,417,309	4,787,620
C.III.1 Other financial investments - equities, shares and other variable-income securities	172,167,001	152,072,044
C.III.2 Other financial investments - bonds and other fixed-income securities	1,859,170,635	1,807,045,896
C.III.5 Other financial investments - other loans	225,358,975	220,173,478

For each of the financial fixed assets referred to in B., or each of the individual assets or appropriate groupings of those individual assets referred to in B., which is carried at an amount in excess of their fair value, the reasons why the book value has not been reduced must also be stated below, together with the nature of the indications underlying the assumption that the book value will be recoverable:

C.II.1 Investments in associated companies and participations - participating interests: see valuation rules in note 20 (item 2)

C.II.3 Investments in associated companies and participations - participating interests: see valuation rules in note 20 (item 2)

C.III.1 Other financial investments - equities, shares and other variable-income securities: see valuation rules in note 20 (item 2)

C.III.2 Other financial investments - bonds and other fixed-income securities: see valuation rules in note 20 (item 2)

C.III.5 Other financial investments - other loans: see valuation rules in note 20 (item 2)

Nº 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. Equities, shares 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		
EthiasCo SCRL	xxxxxxxxxxxxxxx	1,000,010
Flemish Region	xxxxxxxxxxxxxxx	6,333,330
Walloon Region	xxxxxxxxxxxxxxx	6,333,330
Federal State (SFCI)	xxxxxxxxxxxxxxx	6,333,330

Nº 6. Statement of provisions for other risks and charges - Other provisions

Breakdown of the liability item E.III	Amounts
Provision retirement plan	31,829,464
Other provisions for risks and charges	8,410,400
Provision for disputes	14,282,467

Nº 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	474,920,678
II. Non-convertible loans	474,920,678
Total	**474,920,678**
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	1,778,054,022
G. Debts	728,429,952
IV. Debts toward credit institutions	728,429,952
Total	**2,506,483,975**
c) Debts with regard to taxes, remunerations and social security costs.	
1. Taxes (item G.V.1.a) of the liabilities)	
b) Non due tax debts	41,291,242
2. Remunerations and social security costs (item G.V.1.b) of the liabilities)	
b) Other debts with regard to remunerations and social security costs	37,114,116
Total	**78,405,358**

Nº 8. Statement of accruals for liabilities

Breakdown of the liability item H	Amounts
Financial income to be carried forward	1,011,763
Result on other derivatives to be reallocated	94,119,659
Financial charges to be allocated (Bond Issue and REPO)	16,687,456

Nº 10. Information on technical accounts

I. Non-Life insurance

		Direct business			
			Accidents and disease	Automobile Civil Liability	Automobile Other branches
Content	Total	Total	(branches 1 and 2)	(branch 10)	(branches 3 and 7)
1) Gross premiums	1,404,327,740	1,405,361,785	500,869,162	266,634,145	193,757,154
2) Earned gross premiums	1,404,970,324	1,405,741,408	500,450,646	268,600,196	193,977,444
3) Gross damages	1,193,384,179	1,196,123,297	403,896,355	207,031,451	110,930,046
4) Gross operating costs	254,356,967	254,200,159	60,360,000	56,226,232	39,055,638
5) Reinsurance balance	75,128,322	79,118,076	4,526,430	8,264,290	15,644,705
6) Commissions (art. 37)		36,918,594	0	0	0

	Direct business				
	Marine Aviation Transport	Fire and other damages to properties	General Civil Liability	Credit and Bonding	Miscellaneous financial losses
Content	(branches 4, 5, 6, 7, 11 and 12)	(branches 8 and 9)	(branch 13)	(branches 14 and 15)	(branch 16)
1) Gross premiums	281,034	239,850,880	102,344,314	57,549	17,717,941
2) Earned gross premiums	282,187	234,933,413	104,536,103	57,549	18,779,717
3) Gross damages	-70,806	327,698,575	97,529,967	122	8,682,148
4) Gross operating costs	53,644	54,774,230	18,615,826	11,281	3,576,005
5) Reinsurance balance	0	53,615,149	-2,932,498	0	0
6) Commissions (art. 37)	0	0	0	0	0

	Direct business		
	Legal protection	Assistance	
Content	(branch 17)	(branch 18)	Accepted cases
1) Gross premiums	40,977,661	42,871,945	-1,034,045
2) Earned gross premiums	41,552,522	42,571,631	-771,084
3) Gross damages	23,529,531	16,895,908	-2,739,118
4) Gross operating costs	9,813,036	11,714,267	156,808
5) Reinsurance balance	0	0	-3,989,754
6) Commissions (art. 37)	0	0	0

II. Life insurances

Content	Amounts
A. Direct business	
1) Gross premiums:	1,374,424,237
a) Individual premiums	46,488,636
Premiums under group insurance contracts	1,327,935,601
b) Periodic premiums	1,072,982,761
Single premiums	301,441,476
c) Premiums for non-bonus contracts	25,286,475
Premiums for bonus contracts	1,345,672,443
Premiums from contracts where the investment risk is not borne by the company	3,465,319
2) Reinsurance balance	590,536
3) Commissions (art. 37)	3,207,056
B. Accepted cases	
Gross premiums:	0

III Non-Life insurance and Life insurance, direct business

Content	Amounts
Gross premiums:	
- in Belgium	2,738,766,023
- in the other states of the EEC	41,019,997

Nº 11. Statement on personnel employed

A. The following information relating to the financial year and to the previous financial year, concerning employees entered in the personnel register and connected to the enterprise by an employment contract or by a first employment agreement	2021	2020
a) Their total number at the financial year's closing date	1,976	1,923
b) The average number of personnel employed by the company during the previous financial year, calculated in full-time equivalents in accordance with Article 15, §4 of the Belgian Company Code, and broken down according to the following categories:	1,774	1,745
- management staff	26	26
- clerical staff	1,748	1,719
c) The number of hours worked	2,571,733	2,590,566

B. The following information relating to the financial year and the previous financial year, concerning temporary staff and persons made available to the company	2021	2020
a) Their total number at the financial year's closing date	0	0
b) Average number of full-time equivalents calculated in a similar way to employees registered in the personnel register	4	1
c) The number of hours worked	7,754	1,965

Nº 12. Statement on all administrative and management costs, broken down by type

Name	Amounts
I. Employee benefit expenses	**176,850,260**
1. a) Remunerations	107,911,368
b) Pensions	0
c) Other direct social benefits	32,547,766
2. Employers' social security contributions	35,216,977
3. Employers' allowances and premiums for extra-legal insurances	452,115
4. Other employee benefit expenses	777,626
5. Provisions for pensions, remuneration and social security costs	-55,592
a) Appropriations (+)	0
b) Expenditures and reversals (-)	-55,592
II. Services and other goods	169,551,142
III. Depreciation and write-down on intangible and tangible assets other than investments	24,359,829
IV. Provisions for other risks and expenses	0
1. Allocation (+)	0
2. Expenditures and reversals (-)	0
V. Other current expenditure	**9,779,218**
1. Fiscal operating costs	1,575,257
a) Property tax	1,449,781
b) Others	125,476
2. Contributions to public bodies	2,753,494
4. Others	5,450,467
VI. Administrative costs recovered and other current income (-)	**-6,846,864**
1. Recovered administrative costs	6,846,864
b) Others	6,846,864
Total	**373,693,585**

Nº 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	18,015,880
Capital gains realized on tangible assets	36,709
Others	220,635
B. Breakdown of the other costs (item 8 of the non-technical account)	
Amortizations	9,889
Impairments on receivables	9,367,775
Capital losses realized on assets	208,260
Losses on the realization of receivables	11,780,325
COVID-19 solidarity action	0
Commissions and financial costs	610,110
Others	548,568

Nº 14. Exceptional results

	Amounts
A. Breakdown of EXCEPTIONAL INCOME (item 11. of the non-technical account), if significant	
B. Breakdown of EXCEPTIONAL COSTS (item 12. of the non-technical account), if significant	
Capital gain on the realization of assets	2,309,653

Nº 15. Income taxes

	Amounts
A. Breakdown of item 15 a) 'Taxes':	**19,052,437**
1. Income taxes for the financial year:	19,052,437
a) Refundable advance payments and prepayments	4,002,391
b) Other attributable items	208
c. Excess of advance payments and / or capitalized refundable withholding taxes (-)	0
d. Estimated tax supplements (included in heading G.V.1.a) of liabilities)	15,049,838
2. Income taxes on previous periods:	0
a) Additional income taxes due or paid:	0
B. Main sources of differences between the profit before tax, as stated in the accounts, and the estimated taxable profit	
- Changes in reserves, provisions and taxable impairments (excluding shares):	-3,076,297
- Income exempt and non-allowable losses on shares:	36,771,953
Disallowed expenses (excluding shares):	14,392,851
- Miscellaneous deductions (previous losses, notional interest, income from innovation ...)	-101,360,402
D. Sources of deferred tax assets:	
1. Deferred tax assets	**1,109,720,000**
- Accumulated tax losses and definitively taxed income ("RDT") (carry-forward)	0
- Taxed technical provisions:	1,084,800,000
- Taxed impairments and other taxed reserves:	24,920,000
2. Future tax liabilities	**0**
Surplus value (spread taxation):	0

Nº 16. Other taxes and charges borne by third parties

	2021	2020
A. Charges:		
1. Charges on insurance contracts borne by third parties	254,137,135	254,609,364
2. Other charges borne by the company	983,097	987,961
B. Amounts retained on behalf of third parties in respect of:		
1. Withholding tax on earned income	312,149,850	300,262,540
2. Withholding tax (on dividends)	1,669,722	1,381,953

Nº 17. Off-balance sheet rights and commitments

	Amounts
A. Guarantees given or irrevocably promised by third parties on behalf of the company*:	
B. Personal guarantees given or irrevocably promised on behalf of third parties:	
C. Real guarantees given or irrevocably promised by the company on its own assets as security for debts and commitments	
a) of the company:	854,234,312
D. Collateral received (others than in cash):	
a) securities and values of reinsurers:	70,002,132
b) others:	636,464,862
G. Nature and business purpose of off-balance sheet transactions:	
H. Others:	**2,446,410,144**
Commitments to acquire real estate	32,505,770
Infrastructure lending commitments	48,351,210
Financial lending commitments	50,815,924
Public Bodies lending commitments	10,000,000
Mortgage lending commitments	4,282,943
Agency lending commitments	90,000,000
Participating interest commitments	10,598,056
Bond fund commitments	123,063,639
Equity fund commitments	64,732,888
Infrastructure fund commitments	83,327,107
Commitments to acquire other securities	624,250,000
Commitments to dispose of real estate	0
Commitments to dispose of other securities	873,617,799
IT projects commitments	5,097,373
IRS swap - Receive leg	110,000,000
CDS - Receive	0
IRS swap - Pay leg	110,000,000
CDS - Pay	0
Caps/floor	0
Swaptions	0
Property lending commitments	27,711,000
Estimate of additional compensation - flooding	178,056,435

Nº 18. Relationships with associated companies and companies linked by a participating interest

Relevant items of the balance sheet	Associated companies		Companies linked by a participating interest	
	2021	2020	2021	2020
C. II. Investments in associated companies and participations	**410,498,678**	**372,286,261**	**54,244,361**	**53,809,524**
1 + 3 Participating interests	410,498,678	372,286,261	41,092,557	39,397,591
2 + 4 Certificates, bonds and receivables	0	0	13,151,804	14,411,933
- Others	0	0	13,151,804	14,411,933
D. II. Investments in associated companies and participations	**4,751,072**	**3,999,497**	**0**	**0**
1 + 3 Participating interests	4,751,072	3,999,497	0	0
E. Receivables	**55,449**	**1,373,952**	**902,784**	**1,211,740**
I. Receivables arising from direct insurance operations	37,757	1,047,183	709,339	1,022,342
III. Other receivables	17,692	326,769	193,445	189,398
B. Subordinated debts	**3,500,000**	**3,500,000**	**0**	**0**
G. Debts	12,878,563	15,710,339	0	-398
I. Receivables arising from direct insurance operations	0	0	0	0
V. Other debts	12,878,563	15,710,339	0	-398

	Associated companies	
	2021	2020
Other significant financial commitments	8,831,582	33,869,000

Nº18bis. Relations with associated companies

Relations with the associated companies (*)

	2021	2020
1. Amount of the financial fixed assets	**79,700,890**	**50,998,342**
- Participating interests	79,700,890	50,998,342
2. Receivables on associated companies	37,500	
- Within one year	37,500	
4. Personal and real guarantees	0	
Provided or irrevocably promised by associated companies as security for debts or commitments of the company	0	
5. Other significant financial commitments	**188,484,158**	**89,527,860**

(*) Associated companies in accordance with article 12 of the Belgian Company Code

Nº 19. Financial relations with:

	Amounts
A. Guarantees given or irrevocably promised by third parties on behalf of the company*:	
1. Outstanding receivables on these persons	0
4. Direct and indirect remunerations and allocated pensions charged to the income statement	
- to directors and managers *	431,870

* For non-executive directors and without remunerations and other benefits of the Management Committee

(Pursuant to article 11 of the bylaws, the directors' terms of office are exercised free of charge)

Nº 19bis. Financial relations with:

The statutory auditor and the persons with whom he is linked	Amounts
1. Remuneration of the statutory auditor:	**637,075**
2. Fees for exceptional services or special missions accomplished within the company by the statutory auditor:	**26,120**
- Other control missions	26,120
- Other missions outside the audit missions	0
3. Fees for exceptional services or special missions accomplished within the company by the persons with whom the statutory auditor is linked:	0
- Tax advice missions	0
- Other missions outside the audit missions	0

Nº 20. Valuation rules

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

Asset side of the balance sheet

Intangible assets (heading B)

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

Software and development costs are capitalized if they relate to investment projects, i.e. large-scale projects that introduce or replace an important business objective or model.

Computer software and licences that have been purchased or internally created for own use are stated at historical cost, less depreciation and any impairment of assets. Internally created software and licenses are only recognized as intangible assets when the following conditions are met: identification criteria for the asset, control of resources, probability of future economic profits and the ability to measure cost reliably.

Software developed by third parties, as well as internal and external development costs for investment projects, are amortized on a straight-line basis over five years from the time the software or developments are ready for use, while for "core" systems with a longer useful life, the term is 10 years.

Internal and external research costs related to these projects, as well as all costs related to ICT projects other than investment projects, are directly included in the income statement. "

Intangible assets other than IT investment projects are amortized on a straight-line basis at a rate of 20%, except for amortization of development costs and goodwill when the useful life cannot be reliably estimated, which is spread over a maximum period of ten years. The amortization period of goodwill is justified in the note to the financial statements.

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 participations (sub-heading C.II)

These investments are subjected to depreciation in case of durable impairments. This depreciation will on the one hand be justified, case by case, according to the financial situation, the profitability or the prospects of the company in which the participating interests or shares are held and will on the other hand be recorded on the basis of a proposal from the Executive Committee.

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

Equities, shares 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 Executive Committee for consideration when the markets are more volatile.

Additional or exceptional impairments can be recognized on a proposal from the Executive 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 or decrease 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 item 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 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:

Criteria for determining durable losses in value

- 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 item 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)

These items are recognized at their nominal of purchase price.

For insurance receivables related to Non-Life premiums, impairments are made after one year (accounting date). Furthermore, impairments are registered to take into account the uncertainties of their recovery.

Available values (sub-heading F.II)

These items are recognized at their nominal of purchase price.

Reinsurers' share of 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 250 euros 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 derivative financial instruments, 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°21. Changes to valuation rules:

None.

N° 22. Declaration regarding the consolidated income statement

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

Nº 23. Additional information to be provided by the company on the basis of the decree of 17/11/1994

Art. 27 bis § 3, last paragraph	Amounts
2. Bonds and other fixed-income securities	26,813,133

Derivative financial instruments used	
Forward buy swaps	4 financial year transactions
Forward bonds coupled with forward swaps	3 acquisition transactions and 7 financial year transactions
Cap/floor	
Inflation swap	1 acquisition transaction and 1 disposal transaction
Index Put	4 acquisition transactions

Profit and loss accounts	Result	Reversal of impairment losses	Provision for impairment losses	Accrued interests not yet due
Forward bonds coupled with forward swaps			-2,344,465	
Cap/floor				
Inflation swap				-810,339
Index Put	-40,612		-183,530	

Goodwill

The amount of 33 million euros shown on the assets side of the balance sheet under the heading "II.1 Intangible assets - Goodwill" includes:

- Goodwill resulting from the merger with Whestia in 2017, for a net amount of 13 million euros (gross value of 26 million euros), amortized over the duration of the commitments, viz. 10 years.
- Goodwill resulting from the acquisition of the “Work Accidents Law 1967” portfolio as at 31 December 2017, for an amount of 20 million euros (gross value of 34 million euros), amortized over 10 years, based on the duration of the commitments

Allocation to the flashing-light provision

On 15 December 2021, the National Bank confirmed, pursuant to Article 34quinquies, § 4 of the Royal Decree of 1 June 2016 amending the Royal Decree of 17 November 1994 on the annual accounts of insurance and reinsurance companies, that it granted to Ethias SA the exemption from the obligation to provide additional provisions for the 2021 financial year, as the solvency requirements were met.

COVID-19 crisis

In 2021, Ethias has pursued its four-phase strategy that was adopted at the beginning of the health crisis, namely the protection of its employees, its clients, the company and society at large.
Ethias has continued to offer initiatives in favour of its B2C and B2B clients. In addition to extending coverages and granting payment delays, Ethias has also provided free Civil Liability and Bodily Injury insurance for all vaccination centres and has offered psychological support services to students, self-employed and small businesses insured with Ethias.
With regard to the protection of society, Ethias is involved in projects related to the economic recovery at both federal and regional levels and has been able to concretize its participation through the following initiatives:

- granting a loan to SRIW;
- participating as an expert in sessions related to the organization of project financing at the federal level;
- participating in the capital increase of Finance&Invest.Brussels;
- participating in a private placement for the German-speaking region;
- an investment of 80 million euros for the 4 public funds constituted by the Walloon Region, the Flemish Region, the Federal State and the Brussels-Capital Region. It should be noted that Ethias is the largest private contributor to these stimulus funds.

Flooding

In the face of the disaster that shook many regions in July 2021, Ethias was keen to respond to the needs of its policyholders in distress. Hence, Ethias has:

- Directly provided an advance of 1,500 euros upon opening a claims file;
- Set up "mobile crisis centers" in charge of criss-crossing the most affected cities in order to go directly to the victims to proceed with the first administrative formalities;
- Offered numerous meals in several disaster-stricken cities as well as financial aid to the Red Cross;
- Strengthened its Claims Management teams to speed up the processing of claims files and compensate policyholders as quickly as possible. As of January 19, 2022, nearly 90% of the B2C expertises have been closed.

Given the extent of the damage, the insurers and the Regions got together and signed an intervention protocol to share the burden. This protocol stipulates that once the claims payments exceed the insurer's double intervention limit, a "loan" financial asset account is established by the Region. This contains the claims payments attributable to the governments, i.e. the claims amounts paid beyond the insurer's double intervention limit without any counterpart in technical accounting. Total loans as at December 31, 2021 amount to 108 million euros. An estimate of the amounts borne by the governments that the insurer will have to pay after December 31, 2021 is recorded off-balance sheet for an amount of 178 million euros.

IX.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.

2021 (During the year)	Total	Men	Women
Average amount of employees			
Full-time	1,492	805	687
Part-time	440	149	292
Total in full-time equivalents (FTE)	1,774	890	884
Number of hours actually worked			
Full-time	2,153,566	1,182,980	970,586
Part-time	418,167	136,360	281,807
Total	2,571,733	1,319,340	1,252,393
Employee benefit expenses			
Full-time	148,094,168	81,349,946	66,744,223
Part-time	28,756,092	9,377,062	19,379,030
Total	176,850,260	90,727,008	86,123,252
Amount of benefits granted in addition to wages	**207,079**	**106,235**	**100,844**

2020 (During the year)	Total	Men	Women
Average amount of employees	1,745	891	854
Number of hours actually worked	2,590,566	1,358,686	1,231,879
Employee benefit expenses	186,085,530	97,597,162	88,488,368
Amount of benefits granted in addition to wages	251,505	131,908	119,597

2021 (At the financial year’s closing date)	Full-time	Part-time	Total (FTE)
Number of employees	**1,553**	**423**	**1,824**
By type of employment contract			
Permanent contract	1,467	421	1,737
Fixed-term contract	76	2	78
Replacement contract	10		10
By sex and educational level			
Men	838	141	920
secondary education	106	69	145
higher non-university education	431	49	461
university education	301	23	314
Women	715	282	905
secondary education	84	82	131
higher non-university education	353	134	452
university education	278	66	323
By professional category	-	-	-
Management staff	25	1	26
Clerical staff	1,528	422	1,799

Temporary staff and persons made available to the company

2021 (During the year)	Temporary staff
Average number of persons employed	4
Number of hours actually worked	7,754
Costs for the company	230,040

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.	**165**	**8**	**171**
By type of employment contract			
Permanent contract	93	6	97
Fixed-term contract	62	2	64
Replacement contract	10	0	10

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.	**95**	**25**	**108**
By type of employment contract			
Permanent contract	71	24	84
Fixed-term contract	20	1	21
Replacement contract	4	0	4
By reason of termination of the contract			
Retirement	3	19	12
Unemployment with company allowance	0	0	0
Dismissal	5	2	7
Other reason	87	4	90

Information about training for employees during the financial year

2021	Men	Women
Formal initiatives of continuing vocational training paid by the employer		
Number of employees involved	519	587
Number of hours of training	6,224	6,572
Net costs for the company	810,589	883,934
of which gross costs directly linked to trainings	817,999	892,316
of which contributions and deposits paid to collective funds	0	0
of which allowances and other financial benefits received (to be deducted)	7,411	8,381
Less formal or informal initiatives of continuing vocational training paid by the employer		
Number of employees involved	874	927
Number of hours of training	6,933	7,212
Net costs for the company	487,321	506,896

IX.5 Remuneration of the directors

Name of the director (non-executive and executive)	Function in Ethias SA	Remuneration Ethias SA (attendance fees)	Remuneration Ethias SA (fixed compensation)	Number of meetings Ethias SA (Board of Directors - Audit & Risk Committee - Appointments & Remuneration Committee)
Myriam Van Varenbergh	Chair	20,000.00	27,500.00	21
Jacques Braggaar	Non-executive director	25,650.84	9,500.00	21
Marc Descheemaecker	Non-executive director	26,000.00	12,500.00	28
Kathleen Desmedt	Non-executive director	17,578.84	7,500.00	14
Philippe Donnay	Non-executive director	20,000.00	10,122.28	22
Olivier Henin	Non-executive director	25,045.37	9,500.00	20
Ingrid Loos	Non-executive director	33,892.52	12,500.00	28
Claude Melen	Non-executive director	3,000.00	1,256.80	3
Marc Meurant	Non-executive director	32,806.52	12,500.00	29
Philip Neyt	Non-executive director	12,000.00	7,500.00	13
Anne-Marie Seeuws	Non-executive director	26,016.68	9,500.00	21
Karl Van Borm(*)	Non-executive director	13,000.00	7,500.00	14
Bruno van Lierde	Non-executive director	27,000.00	22,500.00	29
Philippe Lallemand (**)	CEO	0.00	0.00	33
Wilfried Neven (**)	CXO	0.00	0.00	25
Benoît Verwilghen (**)	Vice-CEO/COO Life (Until 30/11/2021)	0.00	0.00	25
Cécile Flandre (**)	CFO (Until 25/11/2021)	0.00	0.00	24
Nicolas Dumazy (**)	CSDO (As from 1/12/2021)	0.00	0.00	2
Luc Kranzen (**)	CCDO	0.00	0.00	25
Joris Laenen (**)	CILO (As from 1/12/2021)	0.00	0.00	2
Izabella Molnar (**)	CDTO (As from 15/12/2021)	0.00	0.00	1
Maryline Serafin (**)	CFO (As from 1/12/2021)	0.00	0.00	2
Benoit-Laurent Yerna (**)	CRO	0.00	0.00	28

(*) paid to the City of Antwerp

(**) pursuant to article 11 of the bylaws, the directors' terms of office are exercised free of charge

Name of the director	Function	Remuneration company within the scope of consolidation NRB (***) - (attendance fees)	Remuneration company within the scope of consolidation NRB (***) - (fixed compensation)	Number of meetings NRB (Board of Directors - Audit Committee - Appointments & Remuneration Committee)
Philippe Lallemand	Chairman	5,500.00	12,500.00	11
Maryline Serafin	Non-executive director	500.00	0.00	1
Cécile Flandre	Non-executive director	2,000.00	5,000.00	4

(***) paid to Ethias SA

Name of the director	Function	Remuneration company within the scope of consolidation NRB (attendance fees)	Remuneration company within the scope of consolidation NRB (fixed compensation)	Number of meetings NRB (Board of Directors - Audit Committee - Appointments & Remuneration Committee)
Bruno van Lierde	Non-executive director	4,500.00	6,250.00	9
Myriam Van Varenbergh	Non-executive director	2,500.00	5,000.00	5

Name of the member of the executive commitee	Function	Gross remuneration (*)	Gross variable remuneration (*)
Philippe Lallemand	CEO	437,898.32	86,764.00
Benoît Verwilghen	Vice-CEO/COO Life (Until 30/11/2021)	335,219.06	60,735.00
Joris Laenen	CILO (As from 1/12/2021)	24,463.94	0.00
Cécile Flandre	CFO (Until 25/11/2021)	265,654.81	485,046.23
Maryline Serafin	CFO (As from 1/12/2021)	24,463.94	0.00
Luc Kranzen	CCDO	293,292.32	57,842.00
Wilfried Neven	CXO	299,317.57	49,744.00
Benoit-Laurent Yerna	CRO	293,292.32	57,842.00
Izabella Molnar	CDTO (As from 15/12/2021)	13,936.14	0.00
Nicolas Dumazy	CSDO (As from 1/12/2021)	24,463.94	0.00

(*) does not include other benefits

IX.6 Statutory auditor's report on the financial statements for the year ended 31 December 2021

FREE TRANSLATION

STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF ETHIAS SA/NV ON THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

We present to you our statutory auditor's report in the context of our statutory audit of the annual accounts of Ethias SA/NV (the "Company"). This report includes our report on the annual accounts, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting d.d. 20 May 2020, following the proposal formulated by the board of directors and following the recommendation by the audit and risk committee and the proposal formulated by the workers' council. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2022. We have performed the statutory audit of the Company's annual accounts for fourteen consecutive years.

Report on the annual accounts

Unqualified opinion

We have performed the statutory audit of the Company's annual accounts, which comprise the balance sheet as at 31 December 2021, and the profit and loss account for the year then ended, and the notes to the annual accounts, characterised by a balance sheet total of EUR 19.090.246.499 and a profit and loss account showing a profit for the year of EUR 188.088.100.

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 2021, and of its results for the year then ended, in accordance with the financial-reporting framework applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB which are applicable to the year-end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the "*Statutory Auditor's responsibilities for the audit of the annual accounts"* section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the annual accounts in Belgium, including the requirements related to independence.

We have obtained from the board of directors and Company 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.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Adequacy of technical provisions

Description of the key audit matter

As of 31 December 2021, technical provisions amount to EUR 13.827 million and represent 72% of the total balance sheet.

The adequacy test of these provisions is complex and relies on a significant degree of judgment. The assumptions used may be influenced by economic conditions, future management actions as well as by the laws and regulations applicable to the Company.

Given the materiality of these technical provisions in the annual accounts as well as the risk of inadequacy, we consider the adequacy of the technical provisions to be a key audit matter.

How our audit addressed the key audit matter

Assisted by our internal actuarial experts, we reviewed the design and tested the operational effectiveness of the key controls put in place by the Company to guarantee the adequacy of technical provisions. We have also paid particular attention to the controls implemented by the Company to ensure the quality of the data used in the framework of the technical provisions adequacy test.

We also assessed the relevance of the technical provisions adequacy test, considering the current market conditions, as well as its adequacy in relation to the technical results observed during the past financial year.

Finally, we performed an independent test on the adequacy of technical provisions and compared it with the amounts determined by the Company.

Note that we have shared and corroborated our conclusions with the actuaries and the actuarial function of the Company.

Based on our audit, we believe that the assumptions used to determine the adequacy of technical provisions are reasonable. The independent tests we carried out did not reveal any exceptions as to the adequacy of the technical provisions.

Valuation of investments for which a price quoted on an active market is not available

Description of the key audit matter

The Company holds investments for which there is no quoted price in an active market. Indeed, the fair value of a certain number of these investments is determined using valuation techniques which are based, or not, on observable market data.

As of 31 December 2021, the Company held assets valued by a non-independent counterparty (mainly bonds and other fixed income securities) for an amount of EUR 874 million and internally (mainly "corporate" bonds) for an amount of EUR 180 million.

The valuation of these investments is a key audit matter due to the importance of the estimates made and the impact that the valuation may have on note 3 of the annual accounts and the determination of the impairments to be accounted for.

How our audit addressed the key audit matter

We have reviewed the design and operational effectiveness of the key controls put in place by the Company to ensure the accuracy of the valuation of these investments.

For a sample of investments, we also reviewed the estimates made and the key assumptions applied in determining the fair value. We also tested the standing data used in determining the fair value.

Finally, we involved experts in the valuation of financial instruments who independently recalculated the fair value of a sample of investments.

We believe that the key assumptions used in determining the fair value of these investments are reasonable. The independent tests we performed did not reveal any exceptions in determining the fair value of investments for which a quoted price in an active market is not available.

Responsibilities of the board of directors for the preparation of the annual accounts

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

In preparing the annual accounts, the board of directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the annual accounts in Belgium. A statutory audit does not provide any assurance as to the Company's future viability nor as to the efficiency or effectiveness of the board of directors' current or future business management. Our responsibilities in respect of the use of the going concern basis of accounting by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit 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;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit and risk committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit and risk committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit and risk committee, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report, the separate report on non-financial information and the other information included in the annual report, of the documents required to be deposited by virtue of the legal and regulatory requirements, as well as for the compliance with the legal and regulatory requirements regarding bookkeeping, with the Companies' and Associations' Code and the Company's articles of association.

Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report, the separate report on non-financial information and the other information included in the annual report, certain documents required to be deposited by virtue of legal and regulatory requirements, as well as compliance with the articles of association and of certain requirements of the Companies' and Associations' Code, and to report on these matters.

Aspects related to the directors' report and to the other information included in the annual report

In our opinion, after having performed specific procedures in relation to the directors' report, the directors' report is consistent with the annual accounts for the year under audit, and it is prepared in accordance with the articles 3:5 and 3:6 of the Companies' and Associations' Code.

In the context of our audit of the annual accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report and the other information included in the annual report is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

The non-financial information required by virtue of article 3:6, §4 of the Companies' and Associations' Code is included in a separate report from the directors' report. This report of non-financial information contains the information required by virtue of article 3:6, §4 of the Companies' and Associations' Code, and agrees with the annual accounts for the same year. The Company has prepared the non-financial information based on the internationally recognized reference framework "UN Global Compact". However, in accordance with article 3:75, §1, 6° of the Companies' and Associations' Code, we do not express an opinion as to whether the non-financial information has been prepared in accordance with these internationally recognized reference frameworks.

Statement related to the social balance sheet

The social balance sheet, to be deposited in accordance with article 3:12, §1, 8° of the Companies' and Associations' Code, includes, both in terms of form and content, the information required under this Code, including, but not limited to, in relation to salaries and education, and does not present any material inconsistencies with the information we have at our disposition in our engagement.

Statement related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the annual accounts and our registered audit firm remained independent of the Company in the course of our mandate.
- The fees for additional services which are compatible with the statutory audit of the annual accounts referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the annual accounts.

Other statements

- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting 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' and Associations' Code that we have to report to you.
- This report is consistent with the additional report to the audit and risk committee referred to in article 11 of the Regulation (EU) N° 537/2014.
- We have evaluated the property effects resulting from the decisions of the board of directors dated 28 January 2021, 24 February 2021, 25 November 2021 and 22 December 2021 as described in section 10.4 of the directors' report and we have no remarks to make in this respect.

Diegem, 8 April 2022

The statutory auditor
PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV
Represented by

Tom Meuleman
Réviseur d'Entreprises / Bedrijfsrevisor

IX.7 Note: Declaration on non-financial information

NON-FINANCAL REPORT 2021

ethias

"Daring to be human together"

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ethias.be

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Retrospective and vision of the Chairmen

The evolution of the COVID-19 pandemic, the increasingly frequent natural disasters and cyberattacks, war on Europe's doorstep... These risks impact us all in our daily lives and cause countless economic and human impacts.

They make us rely on our resilience capacity and commitment to build new points of reference in a world in full societal transition.

Moving forward in this new world in a fair and sustainable way requires resources, but above all a deeply human approach. For over 100 years, Ethias has been committed to Belgian society. It will continue to do so by providing coherent, innovative and sustainable solutions cohérentes, for all its stakeholders: employees, private and public policyholders, shareholders and the Belgian society.

In 2021, Ethias was keen to provide useful and concrete assistance. In addition to being the largest contributor to help the authorities revive the economy both at federal level and in the three regions after COVID, Ethias also showed up in the field.

During the **pandemic**, we donated hand sanitisers, PCs to children who needed them, we provided for psychological assistance, vaccination centres were granted free coverage, etc. During the terrible **July floods**, mobile crisis centres travelled through the affected areas to help the population report the damage, but also to bring comfort and answer questions

DECAVI 2021
LES TROPHÉES
DE L'ASSURANCE

SILVER
2021
ecovadis
Sustainability
Rating

PANDEMIC
Trophy 2021

from clients and non-clients alike. Meals were provided, mobile washing machines were available, solutions were found to quickly recover household appliances...

The Decavi Trophy that Ethias won in October 2021 for its initiatives related to the pandemic and its commitment to society is a further illustration of the commitment of 2,000 employees guided by unfailing energy, solidarity and benevolence.

These exceptional circumstances have not slowed down our innovation drive: new products and services in the fields of health, mobility and property protection have been developed thanks to our **solid group strategy** and the 5,000 talents within our group. Today, our experts are developing new solutions to emerging risks like health, psycho-social or climatic risks or the cyber threat, for example.

By integrating **sustainability** into all aspects of our business, we are strengthening our ability to be a strong and responsible player in society, creating jobs and solutions for the new world to come. We believe in the strength of the collective and the commitment of our talent-gether, let us dare to be this force for change. **DARING TO BE HUMAN TOGETHER.**

Our social responsibility action plan is again inspired by the United Nations Sustainable Development Goals. Throughout our 5^{th} non-financial report, you will learn more about Ethias' many sustainable actions and ambitions around the 3 axes: **People, Profitability & Planet**.

We wish you a pleasant reading and remain – together with all our staff – attentive to your needs.

Philippe LALLEMAND

CHAIR OF THE EXECUTIVE COMMITTEE
CHIEF EXECUTIVE OFFICER

Myriam VAN VARENBERGH

CHAIR OF THE
BOARD OF DIRECTORS

Sustainable Development Goals

(Sustainable Development Goals or SDGs)

The Sustainable Development Goals are a universal call to action to end poverty, protect the planet and improve the lives and opportunities of people everywhere.

The 17 Sustainable Development Goals were adopted by all Member States of the United Nations in 2015, as part of the "2030 Agenda for Sustainable Development" which sets out a 15-year plan to achieve these goals.

- End poverty in all its forms everywhere
- End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- Ensure healthy lives and promote well-being for all at all ages
- Ensure inclusive and equitable quality education and promote lifelong opportunities for all
- Achieve gender equality and empower all women and girls
- Ensure availability and sustainable management of water and sanitation for all
- Ensure access to affordable, reliable, sustainable and modern energy for all
- Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- Reduce inequality within and among countries
- Make cities and human settlements inclusive, safe, resilient and sustainable
- Ensure sustainable consumption and production patterns
- Take urgent action to combat climate change and its impacts
- Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
- Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
- Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

Presentation Ethias

Our Brand Purpose

Our **Brand Purpose** defines the company's *raison d'être*: its moral principles beyond the profit motive. In this new world, we put people at the heart of all our actions so that they are an ever greater source of sustainable progress, equity and peace of mind for all.

This is the world today.

Health crises, digital divides, social inequalities, urgent climate issues ... These are new threats that are challenging the much-needed solidarity to build a responsible and sustainable society of the future. Human and ethical values are too often disregarded, even though they are our sole and unique way of existing.
That is why, at Ethias, we put people and the communities they live in at the heart of everything we do.
At the centre of our actions, our concerns, our resources and our goals. At the centre of our name, because the "h" in Ethias stands for humanity, symbolizing the human values that have always ensured our company's strong resilience.
At Ethias, we enable our staff and partners to grow and to give the best of themselves. We are agile and flexible. At this very moment, we are all working together to make life easier and more enjoyable for everyone. We want to bring a smile to people's faces and make threats disappear.
Because at Ethias, technology does not create distance, but brings people together. It facilitates contact, without replacing it. We are close to you, we speak the same language and we understand the world around you. Our job is to be a direct insurer, being in direct contact with life and bringing solutions to you directly.
We are here to protect you and to give you a helping hand ... allowing you to be yourself to the fullest, to become and to achieve what you want in life. Whether you are a single person, a couple, a family, an association, a company or a public body.

And to make this happen, we dare to be kind, understanding and empathic. We bring all these deeply rooted human values together in our unwavering determination for the well-being of everyone.

That is why our motto will always be:

“Daring to be human together”

Proud of our values

Our values are the foundation of our identity, our culture and our personality. In a nutshell, they are the DNA of Ethias and were defined in 2018 with all Ethias staff.

#Humanity

Humanity is at the heart of all our relationships which we treat with respect and empathy. We are a true partner to everybody we work with. For us, proximity and solidarity are no empty words.

#Empathy #Respect #Proximity #Team #Solidarity

#Commitment

Every day for more than 100 years, we have been committed to our clients, to our colleagues and to society in an efficient way. We are reliable, trustworthy and willing. This commitment also relates to ethics, which remains at the root of all our actions, and to our social responsibility.

#Confidence #Trustworthy #Efficiency #SocialResponsibility #Ethical #Responsible #100years #Proactive

#ClientSatisfaction

This is the driving force of our activities and of all our actions. Through our mutualist origins, we emphasize on client contact possibilities and on exemplary service quality. Our accessibility, our efficiency, our flexibility speak for themselves and clearly contribute to the satisfaction of our clients.

#Accessible #Partner #Flexibility #Adaptability #Efficiency #Simplicity #Agile usiasm

#Enthusiasm

Because whatever happens, a heart beats within Ethias. Every day, we demonstrate energy, vitality, optimism and dynamism. Our enthusiasm helps us to be creative and to undertake innovative projects.

#Innovation #Vitality #Creativity #Energy #Dynamism #Optimism

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 mission manifests itself every day in the actions of all Ethias employees, so that together we can build the world we want to see tomorrow in line with our vision.

Our vision

Our vision for the future is built around 3 axes:

- **Direct:** we are a direct insurer, creating and strengthening relationships
- **Digital:** at the heart of our strategy, but serving people only
- **Public sector:** we are proud to be the number one insurer in the public sector and to be able to serve all citizens

The strength of a group

Building on the success of its unique model, Ethias has taken a new step by further capitalising on the strengths and specificities of its subsidiaries to position Ethias as a value-generating group for all its stakeholders.

From a strategy as an insurer to a strategy of integrated and durable services for clients and the public

The further integration of the group's entities allows us to rely on the synergies, expertise and talents of more than 5,000 employees to accelerate the implementation of various ecosystems such as health, ageing, mobility and public services. This allows Ethias to offer services beyond insurance contracts by also focusing on sustainability aspects.

ethias GROUP

Ethias:
100 years of expertise in assisting clients with their needs to protect individuals and goods

NRB:
provider of ICT solutions and services with a European vocation

Flora:
100 % digital insurance

Ethias Services:
innovative services in the fields of prevention, risk management and pensions

IMA Benelux:
development and services related to Car, Home and Health Care assistance

Ethias Pension Fund:
a unique multi-employer pension fund in Belgium that offers the best solutions for financing pensions

This strategy, which goes beyond insurance, is based on 5 pillars:

- Offering extended **services**
- Developing **digital** and **technological innovations** to serve people
- Building **ecosystems**
- Creating **synergies** and pooling **skills**
- Building **partnerships** and rethinking the sales approach

In this report, the following logo indicates consolidated data:

Ethias group: more than 5,000 employees committed to a more sustainable society

In line with the 2020 group strategy, this non-financial report integrates the activities of the subsidiaries, including NRB SA, but excluding the subsidiaries of the NRB group and IMA Benelux.

Innovation Hub

Solutions must be innovative to face the challenges ahead. Any company that wants to be a long-term player must meet client expectations with creativity and sustainability.

In 2020, Ethias has set up an **Innovation Hub** to boost the creation of new services closely or remotely related to insurance. It is an **open, flexible and participatory** entity. Its team is composed of different and multidisciplinary profiles working with internal and external contributors. The Innovation Hub is a real space for **co-creation, experimentation, acceleration and realisation of projects.** This structure is also a **monitoring and analysis lab**, on the lookout for innovative developments to identify the most promising projects for our clients.

An Innovation Board has been set up to steer innovation at the Ethias Group level in an intrapreneurial and agile mode. The complementary nature of the Group's 5,000 employees gives a real boost to innovation, for the benefit of our clients and society in general.

EthiHub.be

Values at the service of innovation

Our innovations reflect our commitment to a more **human** and **sustainable** society. The focus is on 3 ecosystems, which bring together the main societal challenges of today and tomorrow:

Health **Mobility** **Home**

›› Find our innovative services on page 37

Sustainability at Ethias : Proven expertiseTimeline

2003
- Creation of the Joint Ethics Committee
- Ethias supports fair trade through Fairtrade@work!

2005
- Ethical investment code (reviewed each year)

2006
- Diversity Charter
- 1st societal report

2007
- Equality-Diversity certification

2008
- First measuring of our carbon footprint and implementation of an action plan

2009
- Anysurfer certification for Ethias.be (for visually impaired people)
- Creation of a CSR task force

2013
- Top skills: training sessions for women on assertiveness and self-confidence

2014
- Entry into the United Nations Global Compact
- ISAE 3000 Certification for ethical financial management (Asset Management)

2015
- Certification ISAE 3,000 in terms of environmental performances (CO_2 emissions management)

2016
- 1st “Vélo Actif” certification, renewed each year!
- Launch of Green Movement campaign

2017
- 1st non-financial report

2018

2019
- Planting of 3,000 mangrove seedlings in Benin
- "Women in Finance" charter signed by CEO Philippe Lallemand
- “CEASE” charter signature
- CEO Philippe Lallemand took part in the "Sign for my future" campaign
- Insurance trophy for our non-financial report

2020
- Insurance Award for all our citizenship initiatives during the pandemic and our structured assistance plan
- Ongoing collaboration with DigitalForYouth against digital exclusion
- Subscription to the "Green Deal Circular Procurement”
- Launch of our Change Over plan
- Participation in the Zambia CO_2 offset scheme
- Signature of the UN PRI Charter

2021
- Update of the ethical investment code and adoption of the sustainable and responsible investment policy
- Financial and psychological assistance to the self-employed and VSEs (COVID)
- Support plan for vaccination centres and volunteers (COVID)
- Free psychological help for young people (COVID)
- Investment in economic recovery plans (COVID)
- Solidarity actions after the July floods (mobile crisis centres, cash advances, App4You mental support...)
- Call for projects in Public Centres for Social Action (CPAS) for the Ethias Youth Solidarity Awards
- Signing the PBAF / BACA / Climate Action +

Review 2021

Climate

Towards carbon neutrality

Direct footprint:
3,839
tonnes of CO2, 90% of which comes from our vehicle fleet

6,2%
reduction in carbon emissions

1
wind turbine for IT energy needs

New governance

Appointment of a Head of Sustainability and implementation of a stronger transversal organisation

United Nations Global Compact

Adherence, responsibility and commitments

Diversity

4 axes : gender / age / disability / origin

17 Sustainable Development Goals of the United Nations

Approach rooted in worldwide concerns

Measures to help and protect against COVID-19

Employees / Clients /
Belgian population / Companies

80M€ **in support of various post-COVID recovery plans**

DECAVI 2021
LES TROPHÉES DE L'ASSURANCE

Post-flood actions

2,000 employees working alongside the affected population and volunteers

85% **of claim cases opened in the first week**

84% **of B2C cases closed by 31 December 2021**

Finance

Sustainable and responsible investor

Ethias Youth Solidarity Awards

450,000 **euros to encourage Public Social Welfare Centres to fight against poverty among young people**

Beyond insurance

An Ethias Group-wide strategy for more integrated services for the benefit of its clients

Sustainability Strategy

New strategy, new governance

Integrating sustainability into the company's strategy means, first and foremost, taking a 360-degree view and accepting that our thinking and decisions must take into account considerations for our stakeholders: clients, employees, shareholders, suppliers and society.

Ethias' new Sustainability strategy is based on a stronger governance, built with a team of passionate employees, whose primary mission is to integrate sustainability criteria in all areas of the company's activities.

Ethias is clearly not starting from scratch when it comes to sustainability: Corporate Social Responsibility (or CSR) has always been part of its DNA! A joint Ethics Committee was set up for this purpose in 2003. Over the years, Ethias has gained in notoriety for its social commitment thanks to many successful initiatives and actions.

In 2021, Ethias decided step up its game and strengthened its sustainability organisation by creating a new Head of Sustainability function and a whole new Sustainability team. Its main task is to define the guidelines for the sustainability strategy and to steer the integration of sustainability objectives in the company.

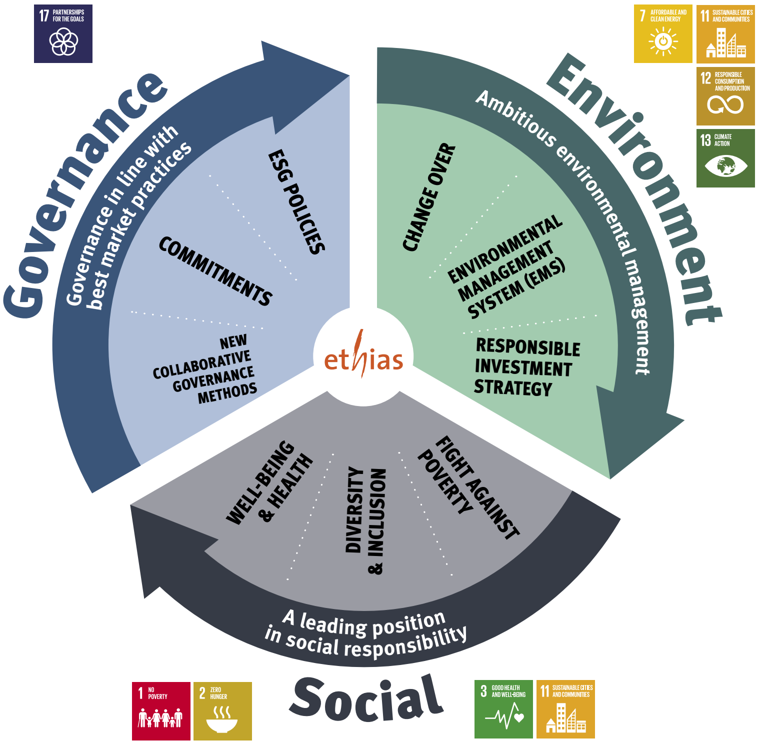
Our new Sustainability strategy is built around the three main pillars known as ESG:

- Environmental
- Social
- Governance

For each of these pillars, we involved our employees to set up a concrete action plan aimed at:

- **further reducing Ethias' ecological footprint** through ever more ambitious environmental management and even more sustainable investments
- **creating a modern governance** that allows employees to actively participate in new forms of collaboration on sustainability projects
- **above all, remaining people-oriented by being continuously present alongside those who need assistance**, clients or not (poverty, inclusion, health, assistance, prevention, diversity)

Group-wide ESG policies



Our new strategy is in line with the United Nations' Sustainable Development Goals (SDGs). We believe that we can make the greater difference by aiming at these goals. The goals are eradicating poverty, promoting health for all, creating more sustainable cities and communities, and fighting climate change.

Other issues are also tackled, such as concrete commitments on ending hunger, access to reliable, sustainable and affordable energy services, and promoting more sustainable consumption and production methods.

Network of strong and committed partnerships

Ethias aims to offer its sustainability expertise and experience to the public by collaborating on responsible investment initiatives and ESG-related partnerships listed in this report.

"Sustainability strategy is not a one-man job. It is such a broad topic, with implications for the whole company and beyond, that is continually evolving as we identify the need for changes. Just like trees in a forest that support and help each other so that they can all flourish and find their own place. We are all sowing the seeds of the company and the world we want to shape for tomorrow."

Bénédicte PASSAGEZ, Head of Sustainability, Ethias

Our policies, charters and codes

All of our commitments and principles described here are formalised in our policies, charters and codes on our website:

www.ethias.be/durable

People

For our employees

The human capital is Ethias' most valuable asset. During the COVID pandemic, Ethias was able to ensure business continuity while protecting and supporting its employees at all levels.

Working Apart Tomorrow Together

Hybrid work

Ethias has decided to make hybrid working the new normal.

This organisation combines working from home and at the office to provide employees with more flexibility in their work schedule while maintaining team spirit.

Working from home – office work

The COVID pandemic has called upon the great resilience of our employees.

For the sake of a smooth work organisation and clear measures, HR drafted a 7-phase plan that can be activated depending on the situation.

Extra days off

When employees work from home, overtime is not recorded in the timekeeping system.

Work from home allowance

To reduce the costs of working from home, Ethias granted an allowance in 2021.

Shared offices at the Hasselt headquarters

Since September 1st, 2021 we have been implementing a shared office concept. Shared spaces instead of dedicated offices, with a clean desk policy. Employees were given the appropriate equipment: a wireless keyboard and a personal locker.

Health measures

Self-tests and masks

Inspectors and employees in the regional offices were provided with FFP2 masks. Each employee received 6 antigen tests and two cloth masks.

COVID bonus as a way for the management to say thank you

1

1 day off per quarter while mandatory working from home

In 2021, each employee received:

450

450 euros in vouchers (agreement between Assuralia and unions)

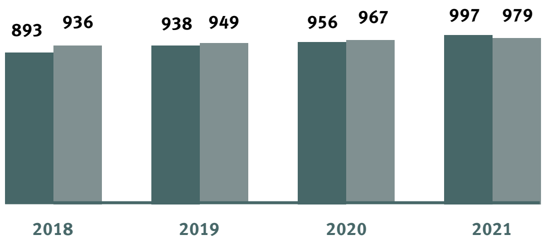
50

50 euros in gift vouchers from the management

Social cohesion

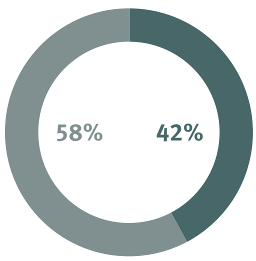
Ethias would be nothing without the strength and commitment of its 1976 employees! For Ethias, social cohesion and the well-being of its staff is an absolute priority that is directly in line with its ESG values and commitments.

A respectful, collaborative and responsible social dialogue has always been part of Ethias' corporate culture. The social cohesion of our company allowed us to thrive for over a century.



1 976

At 31 December 2021, the company had 1,976 employees (997 women and 979 men).



Gender distribution in the Ethias Group as of 31 December 2021

women men

10

10 info sessions and workshops took place in 2021, with an average of 73 participants per session

A strong sense of belonging, even when working from home

Ethias planned **two virtual staff parties in January and June 2021.** Through various channels, Ethias employees were able to stay in touch with their colleagues and company. One of the main communication channels was the **intranet**, which allowed employees to keep up to date with company news. The CEO also demonstrated his involvement by sending a **regular e-mail to all employees**. Finally, **info sessions and workshops** during the lunch break or working hours played an important role in internal communication.

New staff restaurant

Restaurants in Liège and Hasselt were redesigned. Our new caterer, The Food Show, is committed to providing fresh, tasty and healthy food, as well as a pleasant and welcoming environment.

Free fruit all day.

All together during the floods

During the floods of July 2021, Ethias employees showed great solidarity with their clients, but also with each other. Some of them interrupted their holidays to come back to work, our B2B and B2C inspectors did their best to make the first assessments, mobile crisis centres helped clients to report their claims and some regional offices were open to clients even on weekends. ***War rooms*** **were set up in Liège and in the regional office of Alleur in order to centralise claim follow-up. The cohesion feeling made the workload more bearable for these employees.**

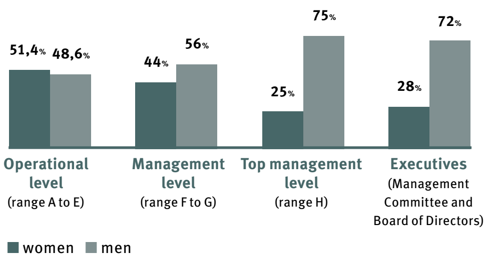
Diversité

Diversity at Ethias is based on 4 pillars:

Gender (male/female)

For our business to remain sustainable and strong, we need men and women working together to promote an inclusivecorporate culture and to bring out the best in women. The **Women in Finance** charter is an initiative of the financial sector (Belgian Financial Forum) and various institutions founded by Women in Finance Belgium. Bringing together financial organizations helped to promote gender balance and share good practices. On June 17, 2019, many Belgian financial companies signed this charter. **As a socially responsible insurance company, Ethias was among the first signatories.**

Gender distribution as of 31 December 2021



We note that there is still an unequal distribution in management functions. Action plans for the next few years should lead to more equality at all levels.

Age (intergenerational dynamics)

Training

Training is an important pillar for Ethias. That is why we want to offer trainees a valuable first experience. In return, they can provide valuable support to our employees.

YouthStart

Ethias has entered into an initial three-year partnership (2018-2019-2020) with **YouthStart**, a non-profit that aims to boost the self-confidence of young people aged 16 to 30 in search of opportunities. **This association helps young people to step into the corporate world and delivers them a well-deserved certificate at the end of the training.** In 2021, we renewed our three-year partnership for the period 2021-2022-2023.

35

Ethias welcomed 35 interns in 2021 (low figure due to the pandemic)

15,000

Ethias supports YouthStart with €15,000 per year.

Disability (able-bodied/disabled)

Accessibility

Of our 37 regional offices, 32 are accessible to people with reduced mobility (26 are specially adapted and 6 are equipped with an access ramp or elevator).

A personal welcome is the first service to be provided to people with disabilities:

- Attitude and general behaviour: courtesy, listening, friendliness (e.g. notebook and a pen for the hearing impaired).
- Mobility: large spaces and barrier-free pathways.
- Facilities: seating, lighting, gates, toilets, etc.

Origin (ethnic and cultural diversity)

Mentoring projects

Ethias works on several mentoring projects. Ethias finances the operation of the company. Several colleagues act as mentors for jobseekers with a migrant background who have difficulties in accessing the labour market. For staff members who take up this challenge, Ethias offers the possibility to do mentoring work during their working hours.

Be.Face

- In the Be.Face business network, companies pool their resources for the **inclusion of disadvantaged populations**.

DUO for a JOB

- **DUO for a JOB** connects young people with an immigration **background looking for a job with people over 50 who offer their experience to help these young people find work.**

Mentoring@Work

- The Minderhedenforum, with which Ethias had been collaborating since 2019, stopped its Mentor2Work activity in 2021. **Ethias found a new partner in Mentoring@Work in 2021.**

10,000

In 2021, Ethias signed a new cooperation agreement with DUO for a JOB. The agreement was for an annual lump sum of €10,000.

Prevention of psychosocial risks

Disconnect to connect

At Ethias, we value the well-being of our employees. **They must be able to take the plug out from time to time so they can remain focused.** This is why Ethias launched the internal campaign “Disconnect to connect” in 2021. Ethias wants to help its staff go through this process by providing information, tools and support.

MyMindScan

MyMindScan (MMS) is an online tool that **monitors mental resilience**. By using six scientifically validated factors, MyMindScan identifies the resilience and personal profile of each colleague.

My Workplace Options

In 2020, Ethias introduced the My Workplace Options Hotline. Employees could book a phone appointment with a psychologist free of charge. In 2021, this offer was extended to the **“Employee Assistance” program**. Employees were able to call on practical assistance or plan coaching sessions. **This offer is intended for employees and their families.**

Reintegration

Since 2017, managers have been given training on burn-out prevention. A formal and informal reintegration procedure for the long-term sick has been launched, with the support of trade unions, human resources management and persons of confidence.

50%

More than 50% of employees participated in MyMindScan at least once in 2021.

29

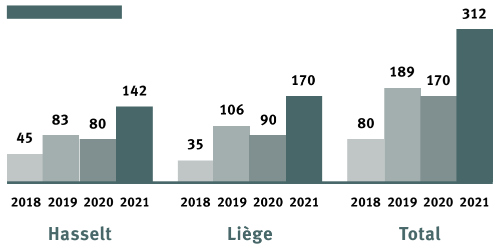
In 2021, 29 people were involved in the formal reintegration process.

Confidential counsellor

The persons of confidence are part of the psychosocial unit. Their mission is broad, as they help employees with all problems related to violence, harassment or sexual harassment at work, but also stress, burn-out, conflicts, etc.

312

In 2021, 312 people had an appointment with our person of confidence
(170 in Liège and 142 in Hasselt)

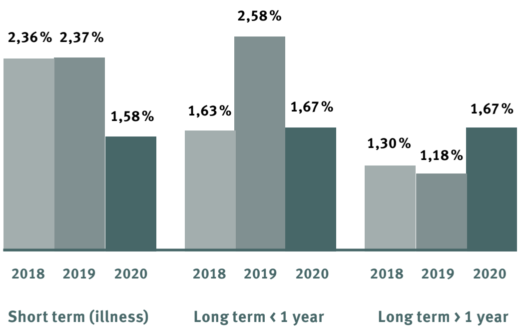


The increasing number of employees who called on the services of persons of confidence in 2021 is the result of an internal campaign to promote the well-being of employees after a long period of working from home.

Optimisation of informal internal procedures

In 2021, the psychosocial unit standardised their internal informal procedures. This means that each employee will receive the same support and that each case will be managed in the same way.

Absenteeism rate



Reinventing Human Resources

Ethias offers its staff many opportunities to evolve in exciting and varied positions, far from the clichés of the insurance industry. At the same time, it aims to promote a balance between professional and private life.

173

173 people were hired en 2021

453

In 2021, there were 453 transfers

Onboarding

In 2021, the recruitment process still had to go through video conference. If possible, physical interviews took place.

Internal development opportunities

At Ethias, employees have the necessary tools to continue to grow and change positions within Ethias.

MyLearning

Training is one of these tools. On the digital platform MyLearning, employees can, in consultation with HR and their manager, choose the training that suits their career.

Number of training courses in 2021 and number of participants:

- 62 online courses (2,974 employees)
- 178 webinars (1,065 employees)
- 27 blended learnings (341 employees)
- 13 coaching sessions (30 employees)
- 153 lectures (850 employees)

First aid team

61

There are 61 first aiders at Ethias: 40 in Liège and 13 in Hasselt
57 first aiders followed an online refresher training: 40 in Liège, 11 in Hasselt

Blood donation

73

73 employees gave blood at a blood centre

Other actions could not take place due to COVID. Staff were still able to go to local blood centres to donate blood during working hours.

Flu vaccine

318

318 people got a free vaccine shot against influenza

Well-being trainings

Ethias wants to give its employees the tools they need to perform in their professional tasks, but also to promote their well-being. This is why Ethias regularly organises workshops and information sessions.

- Lunch & Learn sessions
- Webinar: Gunnar Michielsen “How to survive working from home”.
- Webinar: Koen Daems "Disconnection and Office365".

Ethias Young Talent Development Program

In 2021, the People & Organization department launched the second editions of Young Talent Development Program for employees under the age of 35. In collaboration with the University of Liege and the University of Hasselt, Ethias wants to give young employees the opportunity to discover and develop the skills of the future.

33 **Out of 33 applications, 22 candidates were selected**

Leadership@Ethias

In 2019, the Human Resources department launched a new management skills development program called Leadership@Ethias. In 2020, the program was interrupted prematurely due to COVID, but resumed in 2021.

In 2021, a coaching needs analysis was carried out via 130 individual interviews with managers. Based on the results, we designed the leadership@ethias programme for field managers.

Employee Engagement Survey

In 2019, Ethias employees took the Employee Engagement Survey. They were asked about their engagement and enablement. Areas of improvement are opportunities for Ethias to grow and optimise its working environment for the employees, the driving force of the company. A second survey was conducted in 2021.

87% **of colleagues took the survey**

86% **see Ethias as a responsible company**

86% **believe in the company's values**

MyLife@Ethias

Due to the uncertainties of life, but also the improvement of the standard of living, Ethias wants to pay more attention to sustainable growth and the preservation of resources, including human potential.

HR's ambition is to move forward, to improve and to anticipate needs.

This is why HR has embarked on a long-term project to listen to its employees and make their careers sustainable. Ethias is taking the pulse of three target groups to draw up a tailor-made plan:

- **Early career: young people up to the age of 30**
- **Mid-career:** +/- 40/45 years old, with 15 to 20 years’ experience
- **Late career:** +/- 55 years old

Our HR policy in the spotlight

In 2021, two organisations analysed Ethias' HR policy: Voka and the Top Employers Institute. In both cases, Ethias was nominated for certification. This is a great recognition that also allows us to take a look at the company and identify opportunities for growth.

Limburgse HR-Award from Voka - Kvk Limburg

Four organisations were nominated for the **Limburgse HR Award**. Four companies that, in their unique organisational context, want to innovate on the basis of their own HR vision and strategy. Stimulating employees with concrete initiatives in an authentic and friendly organisation where job satisfaction and sustainable employment are taken very seriously.

Ethias submitted answers to a list of questions. These answers were then reviewed by a jury. Ethias finally received the award.

Top Employer 2022 certification

In the spring of 2021, Ethias was given six weeks to complete a comprehensive survey: 400 questions covering 600 practices, divided into 6 themes and 20 sub-themes. These HR practices had to be supported by evidence, such as documents and screenshots. This was an extremely intensive exercise involving the entire People & Organizations team. The **Top Employers Institute (TEI)** then reviewed everything in preparation for their audit. This was followed by another intense period for Ethias to prepare for the validation session. The audit (validation session) took place on 9 September 2021. On 24 November 2021, Ethias received confirmation that it had been awarded the Top Employer label. However, this news remained under embargo until 20 January 2022.

Staff Association

The Employee association was founded in 1959 and has 6.500 members (active colleagues and retired staff, their partner and children). It is better known as the Amicale in French or Vriendenkring in Dutch.

Even during the lockdowns of 2021, the Amicale has been very creative to keep its activities going. In these difficult times, it played a very important role in strengthening the bond between its members and Ethias. Yoga sessions and virtual fitness classes took place, as well as two online blind tests. It allowed the event "Dwars door Hasselt" to happen. It set up a private Strava group for Ethias staff. It ensured that the children of staff members could still receive their St. Nicolas present and finally organised a Peket Express walking rally in Liege.

Members of the Amicale spent a week distributing food and drink in the Walloon municipalities most affected by the floods. It also called upon colleagues to help the victims financially.

The money was donated to the ASBL Format'Age, which buys and distributes equipment to the victims. Ethias paid an additional €7,000 on top of the amount collected.

Solidarity BBQ

From 24 to 30 July, the Amicale mades barbecues to provide the affected population and volunteers with a comforting break.

For our clients

COVID-19

Ethias launched numerous initiatives to support its clients during the COVID crisis and provided very concrete help to the insured self-employed and very small enterprises (VSEs) affected by the health crisis.

An overview of all our actions is available on www.ethias.be/ActionsCOVID

Floods

The floods caused our policyholders a lot of administrative problems. To ease their burden and speed up the follow-up of the many claims, Ethias took many proactive measures. First of all, we deployed mobile crisis centres in the affected areas. Ethias clients received the help they needed to file their claims. Secondly, there were 'Direct Expertise' days in some regional offices. During these days, clients who did not need an expert on site were able to complete their claim within 30 minutes. If they were missing quotes to complete their file, they could call on the quote factory set up by Ethias. An expert could then quickly give a price. In August, Ethias teamed up with the retail chains Exellent, Expert and Selexion to help replace damaged household appliances quickly. In addition to practical assistance, Ethias also offered psychological support to clients who needed it.

An overview of all our actions is available at www.ethias.be/Inondations

101 colleagues distributed **4,200** sausage rolls and more than **20,000** drinks

Ethias in the Belgian society

Ethias Youth Solidarity Awards

With a budget of 450,000 euros, Ethias encourages the Public Social Welfare Centres (PSWCs) to fight against youth poverty.
Ethias wants to help fight financial insecurity of young people and has therefore launched the first edition of the Ethias Youth Solidarity Awards. All Belgian PSWCs were invited to submit a project to fight poverty amongst the young. These projects can be about cultural participation, access to education, budget support, etc.

Three out of ten young Belgians (30%) have already experienced poverty. More than a quarter of young Belgians (27%) have even asked help to a PSWC and more than three in ten (33%) regularly experience less pleasure in life because of financial worries. These are just some of the alarming figures that emerge from a survey of 1,000 young people aged between 16 and 30 about their financial situation. The independent research institute Indiville carried out the study at the request of Ethias.

130

130 PSWCs responded to the call

102

102 projects were submitted

"Too many young people cannot sleep at night because of their financial situation. With COVID, the problem has become even worse. Young people should be able to go out with their friends or family, go out to dinner or for a drink, or play sports and relax. As a top athlete, I know how important it is to have dreams and ambitions. That's why I support this initiative."
Matthias Casse,
Belgian Olympic medallist and ambassador of the Ethias Youth Solidarity Awards

Sponsoring & Partnerships

Ethias' sporting, cultural and societal partners share its values: human, commitment, client satisfaction and enthusiasm.
Ethias sponsors via financial contributions and/or via advertising support through its own communication channels. As a sponsor, it is actively involved in every project supported.

Ethias excludes any sponsorship of organizations that could associate its name with doping, corruption, violence, racism, incitement to hatred, addiction, public disorder, unethical beliefs, discrimination on the basis of race, gender, age, sexual orientation or conviction (for example homophobia, anti-Semitism, Islamophobia, etc.).

Festivals

Live music brings people together, of all generations, in all their diversity and emotions. **Festivals:** Pukkelpop Zomerkwartier, Gent Jazz, Festival Dranouter, Dinant Jazz.

Culture

Cultural activities give us a new and broader view of aspects of our life and society. **Cultural actors:** the Royal Opera of Wallonia, the National Orchestra of Belgium, the Royal Philharmonic Orchestra of Liege, etc.

Sport

Sport is good for our health, our social life... In short, it makes us happier. Sporting events are also very important for bringing people together.

Sports events: Ethias Cross, UCI World Cup Cyclocross, Ethias Tour de Wallonie, Grand Prix de Wallonie, Bingoal Cycling Cup, Woman Race, Euromillions Cup finals volley, Mon Ventoux, Ethias Challenges, Count Me In, Start to Tennis, Start to Golf... Sports federations: tennis, volley, handball, golf... National teams: Yellow Tigers & Red Dragons (volleyball) and Red Wolves (handball), as well as umbrella organisations (Sport Vlaanderen, Vlaams Instituut voor Sportbeheer en Recreatiebeleid (ISB), AES, LOS and AISF).

Matthias Casse

In 2021, Matthias Casse, the world and European judo champion, became an Ethias ambassador. His dynamism, healthy lifestyle and ambition are fully in line with our values. He also wants to contribute to Ethias' ambition to encourage people to be more active!

Wout van Aert

In November 2021, Ethias partnered with Wout van Aert, three-time world champion in cyclo-cross et and professional World Tour cyclist. He will become its new ambassador as of 1 January 2022.

Social partnerships

Blue-bike

The partnership with Blue-bike, which started five years ago (2017), has been renewed for three years in 2020. Blue-bike and Ethias are now working even more closely together to develop active mobility in Belgium. In the summer of 2021, Blue-bike celebrated its tenth anniversary.

In 2021, Ethias donated:

171
docking stations

368
monitors

442
keyboards

273
mice

87
note books

Digital4Youth

Ethias makes its old ICT equipment available to Digital4Youth, an organisation that recycles this equipment and makes it available to young people in difficult situations.

Pelicano Foundation

The Pelicano Foundation is committed to fighting child poverty in Belgium. Ethias employees can choose to donate an amount via their **Flex@Ethias cafeteria plan**. This amount is used to cover the basic needs of Belgian children living in poverty: meals, clothes, school supplies, doctor's visits, but also the costs of joining a youth movement or sports club.

As in 2020, Ethias conducted a market study. In order to maximise the number of participants in the survey for a highly representative sample, we set up an incentive in the form of a donation (to a charity). In 2020 and 2021, the donations were made to the Pelicano Foundation.

This action brought in € 2,075 for Pelicano.

In the autumn of 2021, the bees in the hives of the Hasselt headquarters and the regional office in Alleur delivered their first honey. These jars of Ethias honey were sold to employees at a price of €8 for 250 grams. The collected money will be donated to the Pelicano Foundation in 2022.

Sint-Vincentius Association Genk

The Sint-Vincentius Association is an umbrella organisation for all people in need in Genk. Ethias gives its employees the opportunity to organise collection activities (clothes, toys, etc.) during working hours and makes its facilities available in Hasselt.

On the initiative of one of its employees in Liège, a similar action was undertaken in collaboration with the “Restos du Cœur” organisation in Seraing.

Social sponsoring

- CIRIEC asbl
- Akcess de Prométhéa asbl
- “Vive le Printemps” (Orchestre National de Belgique)
- Asbl Article 27
- Belgian Red Cross
- Les Territoires de la Mémoire
- Creccide asbl

Ethias has also set up **prevention campaigns** by supporting, among others, **Route2School, Fédémot, Apper and Houtopia**.

Ethias builds bridges with the academic world

Universities and colleges are pioneers in the search for solutions to the various challenges of today and tomorrow. By partnering with them, Ethias ensures that it stays ahead in the field of innovation.

UCL

The Ethias Chair "Pensions" has three goals:

- Reflect on the design of equitable and sustainable pension systems, in terms of their financing, architecture and governance, with a particular focus on the study of supplementary pensions.
- Contribute to the maintenance of a transdisciplinary platform for research on pensions at UCLouvain.
- Ensure the future of teaching on pension issues at UCLouvain and offer quality lectures on the problems and challenges of pension systems at the Belgian and European levels

HEC Liège: Ethias provides financial support for 4 years for a PhD thesis in the field of machine learning. This project focuses on the use of Belief Functions to describe decision making.

UAntwerpen: ALLIC, Antwerp Liability Law and Insurance Chair, is a chair of the University of Antwerp. ALLIC supports and promotes research (support for PhD students) and education (seminars, publications) on liability and insurance law.

Stronger than Corona

As a committed Belgian insurer, Ethias has both feet firmly planted in society. Ethias supported not only its clients but also various sectors of Belgian society during the COVID crisis. Volunteers at the **vaccination centres** were covered free of charge by Ethias for civil liability and personal injury. Ethias also supported the "**Stronger than Corona**" campaign. In this way, we wanted to spread positivity rather than the virus.

All Ethias actions are available on the website www.ethias.be/ActionsCOVID

Floods

Ethias demonstrated its social commitment during and after the floods of 2021. Every affected person, whether insured by Ethias or not, **could go to mobile crisis centres for advice and assistance**. The **solidarity barbecues** organised by the Amicale were dedicated to the affected population and volunteers. Ethias also provided financial support to “Panier Solidaire”, a non-profit organisation that distributes **food packages**. Flora, the 100% digital subsidiary of Ethias, turned a **container into a meeting centre in Chaudfontaine**. Finally, Ethias also provided support through digital means: **App4you.** Our digital solidarity platform was relaunched to appeal to everyone's solidarity.

All Ethias actions are available on the website www.ethias.be/Inondations

Profitability

The events of 2021 have reinforced the relevance of direct sales and the need for proximity. Many people have refocused on the essentials and have become aware of what is really important: health, the environment, prevention and solidarity. These are also essential to our business as a direct insurer, where we strive to provide support, services and multiple solutions to our clients.

Flood compensation in July 2021: our top priority

Ethias employees were on call 7 days a week for our policyholders. We doubled the number of employees in charge of managing this type of disaster and our B2C and B2B sites were regularly updated to answer flood-related questions. A whole series of solidarity actions were quickly put in place: **mobile crisis centres, automatic cash advance for urgent expenses, "direct expertise" days to close a claim in 30 minutes, facilitation of communication with repairers to get a quote, a partnership with retailers** to quickly replace their damaged appliances at a fair price, solidarity operations organised by Ethias clients with a "Worker's compensation" and/or "Civil Liability" policy, proactive reminders to 220 clients living in heavily affected areas who did not respond our calls...

85%

85 % of claim cases opened in the first week

13 000

More than 13,000 claims declared by 31 December 2021

84 %

84% of B2C files closed by 31 December 2021

Our phygital model (or the best of both worlds)

Ethias puts the client experience at the centre of its concerns. And because behind each client there is not just a number, but above all a person, the Human being will come first every time for Ethias.

Even if digital technology is an essential opportunity to continuously improve and expand our range of products and services, we want above all to remain attentive to the expectations and needs of our clients. Halfway between digital and human contact, Ethias offers you the best of both worlds with a phygital approach. **Our goal? Providing you with a unique, simple, efficient and human experience.**

With the new Flora by Ethias roommate insurance, 13 insurance products can be taken out completely online, including payment

Deep respect for your privacy

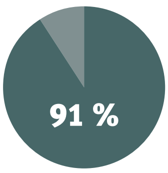
Given our direct relationship with our clients, we believe strongly in consumer rights. **We treat the data entrusted to us very seriously and follow a strict governance in all our projects and actions.**

Compliance with the General Data Protection Regulation (GDPR) is everyone's business. Employees can count on a large network of legal advisors and the company raises the employees' awareness in a fun and educational way about day-to-day data confidentiality and the procedure to report data incidents without delay.

In 2021, each Ethias employee was invited to take an online training programme based on the specificities of their job.

Our main drive: your satisfaction!

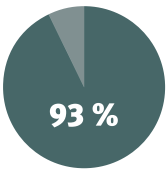
Ethias is perceived in 2021 as a player with a wide range of insurance products, easily accessible, offering good value for money and quality service[1].



Satisfaction measured among private clients[2]

The NPS study conducted in 2021 shows an **overall satisfaction rate** with Ethias of 91 %.

After an experience with Ethias, **2 out of 3 clients would recommend us to their family and friends**



Satisfaction measured among corporate clients[3]

The overall satisfaction rate of our clients is particularly high (93%).

9 out of 10 clients consider Ethias as their preferred partner in the insurance field (Non-Life)

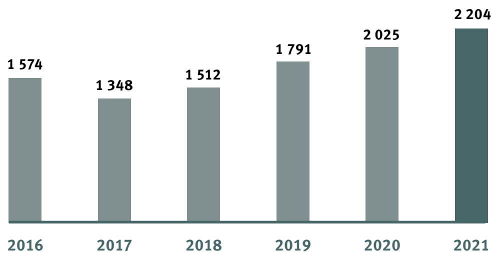
Complaint management

Ethias complies with the Assuralia Code of Conduct for complaint management.

Any interested party – a candidate policyholder, a policyholder, an insured, a beneficiary or an injured third party – may address his dissatisfaction concerning an insurance contract or service.

An independent Complaints Correspondent will examine the file objectively and respond to the complainant within 20 working days of receiving the complaint. If this deadline cannot be met, the complainant will receive a detailed letter.

Each year a report on the management of complaints is produced.



The increase in complaints in 2021 is closely linked to the exceptional handling of the number of claims related to the floods in July. The emergency response to this unprecedented disaster required some departments to support the teams on the ground, resulting in a delay in the day-to-day management of routine cases.

1 These indicators come from the Brand Image study, which measures the positioning and image of Ethias towards private individuals (clients/prospects). 2021 sample: 2000 respondents

2 Indicators come from the NPS (Net Promoter Score) project, a tool created in 2014 to measure the satisfaction and recommendation rate of private individuals (clients & prospects) who have had contact with Ethias. 2021 sample: 25,548 clients.

3 Indicators come from the *Satisfaction & Moments of Truth* survey first conducted within public bodies in 2011 and renewed once every 2-3 years. 2021 sample: 135 B2B clients

An increasingly sustainable product range

Through its products, Ethias aims to cover Belgian society in difficult times, to contribute to a healthier environment by encouraging responsible behaviour, and to make healthcare accessible to all.

For our retail clients

Mobility

Ethias offers a “under 10,000 km” insurance, a specific tariff for green vehicles, a unique "Ethias Young Drivers" offer as well as basic insurance at an accessible cost for more solidarity. Active mobility covered free of charge in the Family insurance.

Green Friday for electric vehicles

On Green Friday, Ethias offered a 15% discount on the first year of insurance for an electric vehicle in 2021. This offer, which can be combined with the advantages already reserved for drivers of electric or hybrid vehicles, resulted in a discount up to -45%!

A great opportunity to go green!

New version of Bike & More

Since 2018, the Bike & More insurance policy covers active mobility vehicles and promotes diversity in the means of transport used by the client. In 2021, Ethias is taking a further step in this direction and lowered the conditions to purchase the Bike & More product, particularly regarding the age of the vehicle and the anti-theft system.

31%

31% portfolio growth between 2020 and 2021 for the Bike & More product

Health

Our goal? To complete our range of healthcare products to ensure affordable and accessible care for all.

Ethias Hospi Quality

A quality and affordable hospital insurance, ensuring **comfort in difficult times in a single room** (Joker system) in case of hospitalisation due to a serious illness.

Servi + guarantee for Hospi Quality+ and Hospi Next+ products

After hospitalisation due to a serious illness, it is important to be able to count on support during rehabilitation. Thanks to a partnership with Ring Twice, one of the first approved platforms for the collaborative economy, Ethias reimburses up to €500 per year for non-medical home help services in the following areas: housekeeping, baby-sitting, gardening, DIY, care and well-being, pet-sitting, private lessons in connection with your current schooling, and/or cosmetic products (turban, scarf, etc.).

Property

Our home insurance automatically covers green installations (solar panels, photovoltaic panels, heat pumps, etc.)

Cohousing insurance Flora by Ethias

The number of cohousers is growing significantly and is due to the fact that access to property is becoming increasingly difficult for young people and single-parent families.

Launched in October 2021, Flora's cohousers insurance is a zero deductible insurance policy that provides all cohousers with third party liability cover for damage to the flat share or neighbouring properties as well as content cover for the entire flat share.

Legal Aid Insurance

Since December 2019, Ethias offers a Legal Aid Insurance product, in accordance with the "Geens Act". The objective of this law is to make Legal Protection insurance more accessible by extending its coverage. In addition, the premium is deductible for tax.

Travel

Assistance & Cancellation

In 2021, 5 COVID-related cover extensions have been integrated into our Assistance and Cancellation products, automatically (for both existing and new clients) and free of charge (no premium surcharge). These benefit extensions allow our clients to benefit from extended cover in the event of a pandemic such as COVID.

Partnerships

Whestia

Ethias works in partnership with the Walloon Housing Fund and with various agents who sell social loans in Wallonia via the "Whestia" outstanding balance insurance label.

Social housing

Ethias is a partner of more than 30 social housing companies in Flanders (including “Woonhaven Antwerpen”, the largest social housing company in Flanders) and offers its insurance products (Home, Family and optional Theft cover) at a rate adapted to this target group of tenants.

The Housing Fund for large families in Wallonia

In 2021, Ethias entered into a partnership with the “Fonds du Logement des familles nombreuses de Wallonie”. Clients who take out a mortgage through this social fund can also benefit from our home insurance.

For our public sector & corporate clients

Ethias, the number one insurer in the public sector, insures major public sector players committed to sustainable development and alternative energy. As a socially committed player, Ethias insures, for example, the majority of the Public Centres for Social Action in Belgium.

Mobility

Mobility & More

The "Mobility & More" insurance is an innovative and flexible product that covers the travel of our clients' staff members regardless of the mode of travel used (and more particularly active mobility). Employers can choose between different cover options to offer their employees comprehensive mobility cover on the way to and from work.

Bike & More

The aim of the "Bike & More" group insurance is to encourage employers to promote active mobility by insuring their employees' vehicle at advantageous rates.

Property

Property insurance (fire and all risks)

We insure green energy sources (photovoltaic panels, solar panels, heat pumps and charging stations for electric vehicles) either in property policies or through specific covers (all risks insurance).

Business interruption cover after a property claim

The aim is to prevent bankruptcy after a disaster by covering overhead costs before the production tools are repaired and by facilitating the restart of the company. It is a kind of "life insurance" for the organisation.

All risks - electronic equipment

This insurance covers material damage and losses caused to electronic equipment, particularly as a result of theft, fire, short-circuit, water damage, malicious acts of vandalism, clumsiness or inexperience on the part of staff members or third parties. This cover secures companies and jobs by ensuring business continuity (e.g. medical equipment).

Ethias Cyber Protection

Cybercrime is one of the emerging risks and has become a major challenge for companies. Ethias Cyber Protection covers the harmful consequences for the policyholder or third parties of a cyber event (malware, cyber-attack, human error, system failure, denial of service or unauthorized use of the IT system).

24/7 assistance is provided in the event of a cyber event and offers the support of a network of experts and specialist lawyers.

Health

Insurance against occupational diseases
As a societal player, Ethias has created brand new product on the Belgian market to meet its clients' needs and concerns about the COVID pandemic. More than ever, employers and employees are aware of the need to have optimal coverage when they are exposed to an occupational health risk.

This new product provides extra-legal compensation to employees and staff in the private sector and in local and provincial governments who suffer from an occupational disease recognised by Fedris.

HospiFlex insurance - "Servi +" guarantee
This optional benefit covers the cost of non-medical services (e.g. gardening, cleaning, etc.) to improve the well-being of insured persons hospitalised due to a serious illness.

Non-life underwriting activities eligible for the European taxonomy

As of 31/12/2021, Ethias' economic activities eligible for the European taxonomy (Taxonomy Regulation (EU) 2020/852) are those that substantially contribute to the achievement of the following environmental objectives: (i) climate change mitigation and (ii) climate change adaptation.

Ethias' non-life underwriting activities that are eligible for the European taxonomy are those whose written premiums in the 2021 accounting year include a climate change coverage component. To determine the amount of these activities, Ethias has selected insurance premiums from the following accounting categories "Motor", "Fire", "All Risks" and "Contractors", provided that they include coverage for one or more of the following risks related to climatic elements: natural disasters, business interruption, property damage, water damage, storms, earthquakes, floods, drought, hail.

Taking into account the selection criteria mentioned above, Ethias' non-life underwriting activities eligible for the European taxonomy amount to a total of € 189,453,159 at the end of 2021, representing 13.64% of the total non-life income in 2021. Ethias' total non-life premium income in 2021 amounts to € 1,389,453,747.

Innovating for progress

In addition to compensation, since May 2021 Ethias has offered a catalogue of more than 80 services available to its private and corporate clients. For a more inclusive society, some services are also accessible to non-clients.

These innovative services have been developed thanks to the complementary skills present within Ethias' subsidiaries. This group strategy (see page 10) aims to anticipate tomorrow's needs and provide useful and coherent solutions.

For our retail clients

Because the protection of physical and mental health, prevention at home and on the road are at the heart of our business.

Mobility

Trust My Car
Innovative service that accompanies sellers and buyers so they can easily sell their used car.Service innovant qui accompagne vendeurs et acheteurs pour leur assurer sérénité et confiance lors de la vente d'un véhicule d'occasion.

Liberty Rider
App for motorcyclists calling emergency services after a crash.

Jeasy
100% Belgian app that allows you to organise a journey by having a complete view of the different mobility solutions and the best way to optimise or combine them.

Assist on Demand
Text to Ethias for a quick breakdown service on the road through a digital flow and with a negotiated rate. This service is available even if you are not insured.

Health

Care4You
Thanks to this reliable and free tool, doctors and patients can meet virtually in complete safety. This platform was created during the COVID-19 pandemic and makes healthcare more accessible.

Health kiosk
Because health is priceless, Ethias is the first insurance to offer a "kiosk" for health apps that allows you to identify the most reliable app that is best suited to your needs.

App4You
Digital, collective; innovative, simple and supportive platform accessible to all for free.
Volunteers can help other citizens in need while being covered for free by Ethias for liability and personal injury.
app4you.be

Health partnerships

Masana
A full transversal platform that coordinates the various health actors to promote optimal and safe home care.

MoveUp
Individual remote monitoring (with doctors, physiotherapists, dieticians, psychologists, etc.) before a bariatric surgery and during rehabilitation.

ABI
App that put you in contact with a doctor so you can get a first medical orientation via text messages.

Property

Home Services
Whether you are client at Ethias or not, with Home Services you will quickly find the right contractor for your needs (heating breaks down in the middle of winter, your door doesn't close anymore, you are the victim of a break-in, your electrical installation breaks down...)

For our corporate clients
(and everyone else) ...

These services (training, audits and consultancy) are focused on prevention and risk management. We offer customised assistance.

Let's Talk

For the second consecutive year, Let's Talk provides students, small businesses and their staff, and flood victims with psychological support by phone.

Managing psychosocial risks

Degrading mental health, workers reluctant to come back to work, declining well-being index that spares no one... These are some of the alarming findings of the 2021 "Confidence and Well-being" barometer. In order to improve this barometer, Ethias Services has set up a whole series of training, audits and consultancy services to help companies prevent risks and support their employees in difficult times. Services: burnout prevention, support following a traumatic event or an accident at work, stress and conflict management, psychosocial risk analysis, mental health audit, expertise in professional rehabilitation or reintegration, etc.

Skill management

Ethias offers its expertise to establish ethical and inclusive management with the aim of resolving conflicts, detecting and supporting workers in need, understanding the multicultural advantages and challenges at work, encouraging collaboration and intergenerational synergies...

Risk Management

Ethias' experts support companies so they can get their business back on track after a disaster, while reducing future risks. They take into account the technical aspects, but first of all the human aspects, which allows them to remain focused on their core activities.

Prevention

For business and staff safety, you must be aware of the law, have the right recommendations, draw up an emergency plan and have good first aiders. A fire prevention audit reduces the risk of fire, ensures the safety of all people present on the site, provides with a quick evacuation plan, mitigates the harmful effects of a fire and facilitates the intervention of the emergency services.

Prevention partnerships

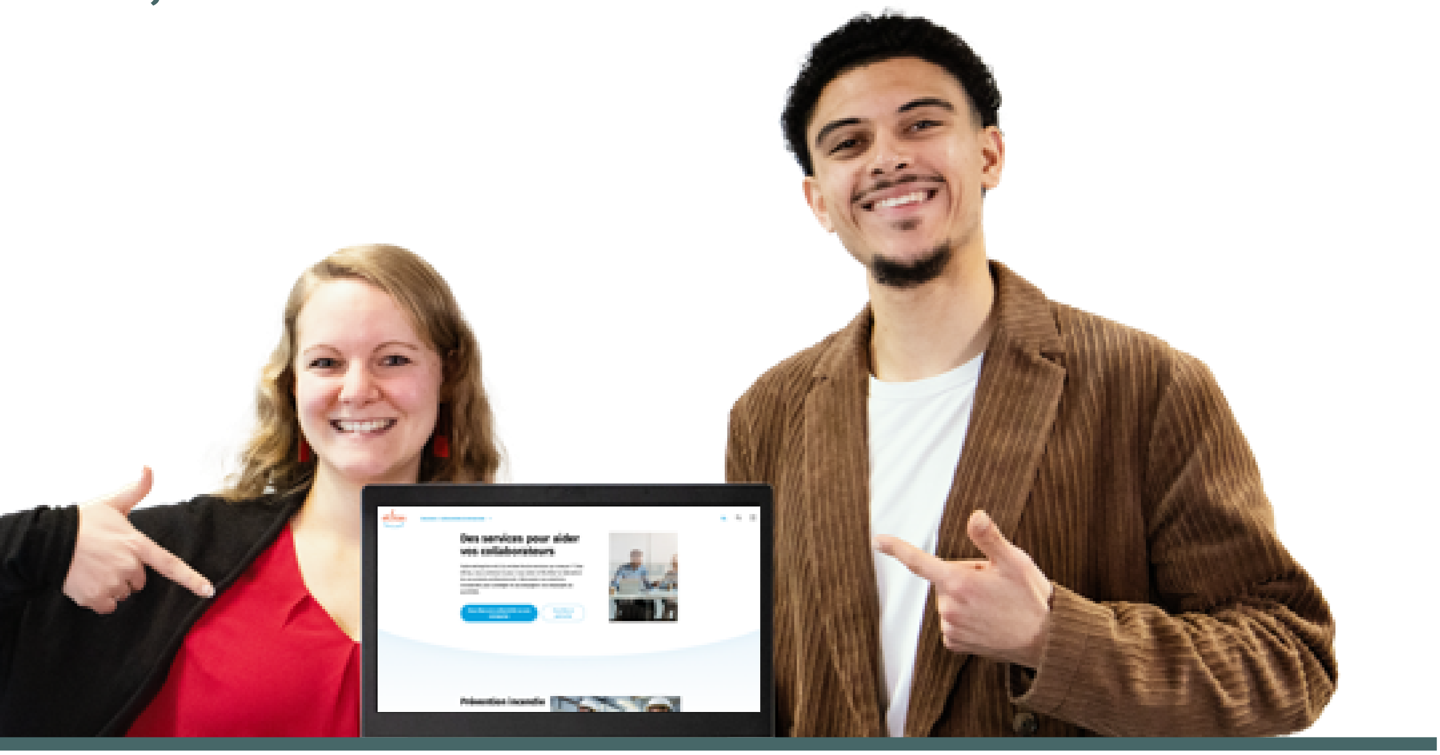
Exia is a blind spot prevention technology developed by the VUB spin-off. This new technology reduces the number of deaths caused by blind spot accidents by 31%.

Ethias' Prevention Department and Ethias Services have lent their expertise to conclude a partnership with Oxygis to develop a web and mobile mapping software dedicated to the inventory and maintenance of playgrounds. This partnership improves the safety and integrity of playing children.

This solution was awarded the Bronze Medal for Innovation at the Arcop trade fair in 2021 (Royal Association of Prevention Consultants).

Find all our services on
solutions.ethias.be

Do you have innovative ideas?
Join us on ethihub.be!



In order to establish a direct link with its policy-holders, while remaining attentive to their needs and limiting paper consumption, online magazines, information sheets, awareness-raising videos and client testimonials are available to local authorities on the blog:

www.ethias.be/blog-fr

Prevention: your challenge?
Our priority!

New Sustainable Investment Governance

Because becoming an increasingly sustainable investor requires both discipline and an integrated approach, Ethias reviewed all its investment processes in 2021, resulting in the adoption of a new sustainable and responsible investment policy and a new investment governance. Ethias went one step further by signing concrete commitments to materialise its ambition to decarbonise the investment portfolio, lobby the biggest polluters and commit to protecting biodiversity.

Sustainable and responsible investment policy

Ethias has published the new version of its Sustainable and Responsible Investment Policy in which it reaffirms its commitment to the **Paris Climate Agreement** and sets the objective of achieving a carbon neutral investment portfolio by 2050 at the latest. In addition, in each asset class, the proposed investments must meet strict environmental, social and governance criteria (so-called "ESG" criteria).

Investment governance

The Ethias Sustainable and Responsible Investment Committee is in charge of developing, implementing and monitoring all the principles of the sustainable and responsible investment policy.

The implementation of this policy is based on two main axes: ESG incorporation and active shareholding.

Integrating ESG criteria into our investment processes

Direct management

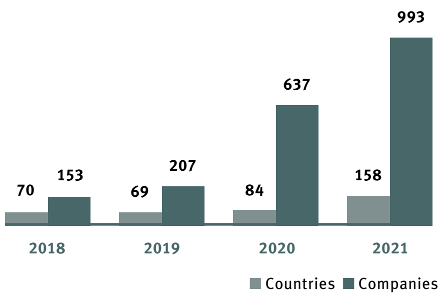
We integrate ESG analysis into our investment processes and promote sustainable and responsible investments in our selection process.

In 2021, we acquired an **ESG database** and set up an ESG research **partnership with HEC - ULiège**, which allows us to further develop our investment selection criteria, including climate impact.

Delegated management

Ethias also places a high priority on working with managers who are signatories to the United Nations Principles for Responsible Investment (UN PRI). In addition to this requirement, Ethias uses sustainable investment criteria in its management mandates.

Issuers excluded from Ethias' investement scope



Our exclusion policy

In addition to incorporating ESG criteria into our investments, Ethias has strengthened its exclusion policy in 2021.

This policy has existed since 2005 as our **"Ethical Investment Code"**.

The new exclusion policy is based on at least the exclusion criteria of the **Febelfin Towards Sustainability label** and in some cases imposes even stricter rules than the label. As a result, an increasing number of issuers are excluded from the Ethias investment portfolio that do not meet our sustainability standards.

Since 2017, Ethias has excluded from its investments thermal coal, which is the fossil energy that contributes most to global warming. As of 2019, it also excludes tobacco and extends the ban on armaments to the production of conventional weapons.

These initiatives are in line with the European "**Green Deal**" presented by the European Commission.

Our normative approach

In 2021, Ethias confirmed its commitment as a signatory of the **United Nations Global Compact** and the United Nations Principles for Responsible Investment. These two initiatives are key pillars of responsible investment, encouraging respect for fundamental human rights principles and the integration of sustainability criteria into investment processes.

PRI Principles for Responsible Investment

UN GLOBAL COMPACT

Ethias as an active shareholder

Being a sustainably committed investor also means taking responsibility for our investment choices and their monitoring, as well as actively contributing to initiatives that bring together actors of change in these areas. As an active shareholder, Ethias has updated and published both a voting policy and an engagement policy.

With regard to the implementation of its **voting policy** in 2021, Ethias participated in the Extraordinary General Meeting of Montea on 18 May 2021, a company in which Ethias holds over 1% of the share capital. Ethias voted in favour of giving the Montea Board of Directors the possibility of carrying out a capital increase via a procedure such as Accelerated Book Building (ABB), which is a capital increase operation aimed at offering a certain number of new shares via the constitution of the order book over a short period of time.

www.ethias.be/durable

In 2021, Ethias has defined the lines of its **new commitment policy** and has made strong commitments by joining 3 collaborative initiatives.

Partnership for Biodiversity Accounting Financials (PBAF)

PBAF is a partnership of 30 financial institutions working together to develop the "PBAF standard", which enables financial institutions to assess and disclose the biodiversity impacts and dependencies of loans and investments.

Understanding the impacts (positive and negative) of our investment portfolio on biodiversity is an important objective.

Ethias is the first Belgian player to join PBAF

www.pbafglobal.com

Belgian Alliance for Climate Action (BACA)

BACA is a Belgian initiative led by The Shift and WWF that aims to encourage the adoption of a science-based approach to reduce the environmental impact of companies.

By joining BACA, Ethias commits to join the Science Based Targets (SBTi) initiative within 12 months. This will allow Ethias to set decarbonisation targets according to scientifically proven methods in order to meet the Paris Agreement's goals.

Ethias is among the first Belgian insurers to join BACA

www.belgianallianceforclimateaction.org

Climate Action 100+

The Climate Action 100+ initiative, consisting of 617 global investors, aims to ensure that the (165) largest emitters of greenhouse gases take the necessary action on climate change.

Ethias is among the first Belgian insurers to join Climate Action 100+

www.climateaction100.org

Investments eligible for the European taxonomy. **As of 31/12/2021, Ethias' economic activities eligible for the European taxonomy (Taxonomy Regulation (EU) 2020/852) are those that substantially contribute to the achievement of the following environmental objectives: (i) climate change mitigation and (ii) climate change adaptation.**

Accessing data to identify the eligible share of these economic activities included in Ethias' investments is a real challenge. In order to get correct, adequate and complete taxonomy information, Ethias called upon an external ESG data provider. Ethias relied mainly on external data to identify investments that are eligible for the European taxonomy. It should be noted that a significant part of this data from the external provider is made up of estimates (due to the absence of reporting from a significant number of companies subject to the taxonomy at the time of writing).

Taking into account the above-mentioned caveats, investments in the financing of economic activities aligned with the European taxonomy or associated with such activities represent, at the end of 2021, 3.10%[1] or € 340,000,000 of Ethias' total investments.[2] Ethias is committed to increasing the proportion of its investments aligned with the European taxonomy in the coming years.

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1 Due to lack of information at the closing date of this report, Ethias did not included in the above figure information on the share of investments eligible for the European taxonomy and held under life insurance contracts where the investment risk is borne by the policyholder and which are managed under mandates given to external managers.

2 The total investments do not take into account Ethias' exposure to sovereign issuers, central banks and supranational issuers, nor its exposure to derivatives.

Sustainability at the heart of our investments

In 2021, Ethias strengthened its governance related to the sustainable and responsible investment strategy. This governance is aligned with the Sustainability strategy and is based on strong policies and concrete commitments that will adapt to ensure that the investment analysis goes beyond risk-return.

Ethias is concerned about the potential impact of investments on the financing of the energy transition and the creation of a fairer society. This role as responsible investor comes with a long-term responsibility, particularly in the management of legal and supplementary pensions and in supporting the economy. By taking ESG factors into account in its investment decisions, Ethias seeks above all to have an impact, whether social or environmental, in favour of the regions, companies and sectors in which it invests.

Socially responsible direct investments

Ethias invests in socially oriented structures, such as social economy funds (Netwerk Rentevrij, Carolidaire) or funds for scientific research. In doing so, it holds financial participations in various fields that are important for strengthening solidarity: social loan companies, housing companies, microfinance organisations, support for various associations and alternative finance organisations.

It has also established privileged links with companies in this sector.

COVID post-pandemic recovery plans

From the outset, Ethias has provided significant financial support (€80 million) to the various regional and federal recovery plans, through participations in the following organisations

- **Welvaartsfonds**: a €205 million Flemish regional fund aimed at strengthening the solvency of companies and achieving a successful transition towards a sustainable economy
- **Amerigo**: a €160 million Walloon regional fund dedicated to the recovery of Walloon companies affected by COVID
- **boosting.brussels**: a Brussels regional fund improving the solvency of companies after COVID with €80 million
- **Belgian Recovery Fund**: the € 218 million federal fund aims to provide subordinated and/or convertible loans to companies that were financially sound before the coronavirus crisis, but had to face a reduction of their equity due to the pandemic

Private debt that integrating ESG criteria

- **Eiffel Impact Debt** is the first private impact debt fund in Europe.
- **OfficeCenter**: this loan funds charging stations for electric vehicles with an interest rate level that is dependent on the achievement of ESG objectives
- **WDP "Chocolate Box":** Ethias financed the world's largest and most sustainable chocolate warehouse. It is the first building in the Benelux to be certified "BREEAM Outstanding", the highest standard for sustainable logistics. It is the first building in the Benelux to be certified "BREEAM Outstanding", the highest standard for sustainable logistics.

Through investments with environmental impact

Ethias invests in financing the energy transition towards a low-carbon economy.

- **Green4You:** In collaboration with Luminus, Ethias created the company Green4You, whose goal is the installation, maintenance and financing of photovoltaic panels, cogeneration units and charging stations for electric vehicles. Through Green4You, Ethias supports the transition towards low-carbon energy
- **Infrastructure funds:** Ethias has continually increased its investments in infrastructure funds that invest in renewable energy (wind, solar, biomass), public transport, energy efficiency, etc.
- **Biobest:** Ethias has participated in financing the growth of Biobest, a subsidiary of La Floridienne, a holding company active in Flanders in the biological crop protection and pollination market. Thanks to this investment, Biobest was able to take over an American partner in the sector, Beneficial Insectary. The latter is the most important producer in the market of biological crop protection by insects.

Through investments with added value for society

Ethias reserves a large part of its investments for sectors that are, as the crises of the last two years have shown, the foundations of our society:

- **Social housing corporations**
- **Hospitals and nursing homes** in the real estate sector
- **Scientific research** (university funds, spin-offs)
- Qbic Feeder Fund
- ICC (UGent)
- ICAB (VUB)
- **Gimv Health & Care Fund**

Financial participation

Ethias invests, for example, in the capital of numerous organisations granting social loans or loans to people in need. When finance meets solidarity.

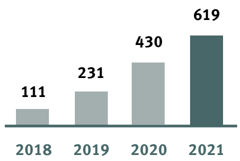
- **Incofin**
- **Socrowd**
- **Inclusie Invest**
- **Trividend**
- **Carolidaire**
- **Impulse Microfinance Investment Fund**
- **Triodos**
- **Epimède**
- **Belgian Growth Fund**

Direct investments in green bonds

Investments in sustainable bonds include both "green bonds" and "social bonds".

In 2021, Ethias continued to invest in sustainable bonds, so that this investments portfolio reached an amount of € 619 million at the end of the year. This represents an increase of 44% (168%) compared to 2019 (2018).

Green bond investments in millions of euros



Direct investments in passive and sustainable real estate

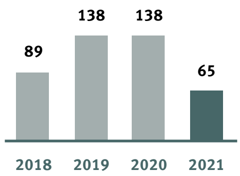
Ethias is particularly attentive to ensuring that its real estate investments meet the most demanding environmental and social criteria.

in officecs buildingThe total amount invested in 2021 in "sustainable real estate" remains significant but still lower than in previous years due to less overall activity in this market segment in 2021 compared to previous years.

Some examples:

- **Stationstraat 51** (Mechelen), **State Archives** (Namur and Ghent), **the new headquarters of BDO** (Luxembourg), **NAOS** (Luxembourg)...
- **Joint venture with the Belgian logistics company Weerts Group:** Ethias acquired two logistics properties in 2021, one located in Tessenderlo and the other in Bury St Edmunds in England. As part of its policy of direct investments in sustainable real estate, Ethias has made sure that these new buildings are certified BREEAM Very Good. This certificate, which corresponds to a global environmental approach, guarantees that the building will be as environmentally friendly as possible throughout its life cycle (design, use, demolition).

Investments in office & logistics buildings



Responsible investment products in life insurance contracts

Ethias is gradually developing its range of sustainable investment products linked to life insurance policies for individuals, companies and local authorities.

For our institutional clients

Through the Global 21 Ethical Fund: The **Ethias Global 21 Ethical Fund** is intended for the management of pension and group insurance reserves. It carries the **"Ethibel Excellence"** label. This fund has two solidarity mechanisms, for the benefit of the **Réseau Financité** and **Fairfin**. Depending on the client's choice, Ethias pays one of these partners 0.05% of the average capital invested in the fund at year-end. Affiliates who so wish may also retrocede all or part of their yield to the association of their choice.

Through the "Ethical" sub-fund of the Ethias Life Fund offered in our dedicated asset funds: The objective of this sub-fund is to invest in units of funds that invest in shares and/or bonds of companies that integrate ecological, social or ethical criteria into their long-term strategy and are certified Towards Sustainability by Febelfin.

For our retail clients

Through the Invest 23 Mundo fund: Our private clients also have the opportunity to invest in the Ethias Life Fund's "Ethical" sub-fund through our Ethias Boost Invest Mundo insurance product (which received the Towards Sustainability label in 2021).

Planet

Our environmental approach

It is increasingly imperative for a company to thrive in harmony with the environment around it. It is no longer possible to drain or degrade our ecosystem without paying a price at some point. Instead, companies will have to move towards a kind of regenerative prosperity.

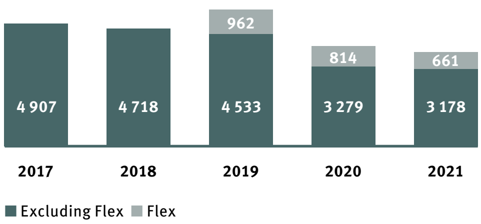
Even if the service activities of Ethias do not in themselves seem polluting, the company and its employees still represent an "environmental impact" through their travel, energy consumption, waste and CO_2 emissions, or even water and paper consumption. Ethias must reduce its harmful impact on the environment and increase its positive impact.

Each year, Ethias measures its carbon footprint, in partnership with the company CO2logic. This measurement gives rise to suggestions for action to reduce the footprint.

CO_2 Neutral Company. In 2021, Ethias extended the "CO2 Neutral" label granted in 2020. This label, certified by an independent organisation, guarantees that the labelled organisations measure, reduce local and global impacts and offset their residual CO2 emissions.
With the Verra certified project "Reforesting in Zambia", launched in 2020 and continued in 2021, we offset our CO2 emissions in 2021. Read more about our "Change Over" plan on page 51.

As a responsible and committed insurer, Ethias is particularly attentive to climate issues and the impact on the environment. Since 2007, Ethias has had an annual audit of its carbon footprint.
In 2021, **Ethias has reduced its carbon emissions by 6.2% compared to 2020 (-30% compared to 2019)**. We are several years ahead of the 33% reduction target set for 2025 in our Change Over plan. **Ethias' 2020 direct carbon footprint amounts to 3,839 tons of CO_2**, 90% of which comes from mobility (vehicle fleet) and buildings.

Annual consumption
(in tons of CO_2)



Since 2019, Ethias has included in its carbon footprint the CO2 emissions of the "Flex@Ethias" **plan vehicles (cafeteria plan for Ethias employees) launched the same year.**

6,2%

Reduction of 6.2% compared to 2020

In order to reduce its impact on environment, Ethias developed a policy to reduce its carbon footprint in the following 5 areas:

Mobility	Waste reduction	Green IT	Suppliers and responsible purchasing	Building Management

Mobility

A mobility policy for employees

Ethias has made a public commitment to the theme of active mobility because it is convinced that mobility is crucial for the future of our society, but also because the company positions itself as a pioneer in this field.
Indeed, the company has for many years boasted a **dynamic and proactive travel** policy that relies on intelligent and more environmentally friendly mobility, using public means of transport, carpooling and active mobility devices to improve employee travelling. It is also implementing technological resources for more remote meetings and working from home in order to support its 2030 carbon neutrality goals. In early 2021, a large-scale internal survey was launched to analyse the employee's mobility habits and to find solutions. Thanks to this survey, we implemented a new company fleet policy aimed at drastically reducing the CO_2 emissions of our vehicle fleet, in line with the goals of our Change Over plan (see page 51)

Waste reduction

Although waste sorting is part of everyone's habits in private life, it is still more difficult to organize this in companies and, above all, to anchor it in people's mentalities. Ethias regularly raises staff awareness about waste collection and sorting.
The various internal awareness campaigns combined with the homeworking policy have had a positive impact on:

- **Consumables:** -9% compared to 2020
- **Meat:** -46% compared to 2020
- **Other waste:** -32% compared to 2020

Paper consumption

By digitalising our communication flows and raising awareness internally and with our partners, we reduced consumables by 9% compared to 2020 and residual waste by 22%.

Other consumables

In addition to paper/cardboard consumables, Ethias also aims to optimize the recycling of equipment and other consumable items:

- **Order of office chairs with "cradle-to-cradle" certificate** (90% recycling - Quality Office certification)
- **Donation of office desks** and other furniture to charities and schools
- **Battery collection** in collaboration with Bebat.

Green IT

While IT tools support environmental aspects through the paper savings they generate, they can be a source of energy consumption themselves.

Ethias is working with its IT subsidiary NRB to reduce this impact by optimizing its infrastructure and processes, but also by:

- launching an internal campaign to **reduce Ethias' digital storage space**
- **migrating mail archives to cloud solutions**
- donating, via Digital4Youth, Ethias laptops to schools and non-profit organizations in order to **extend their lifespan**
- **dematerialising** NRB's **servers** to reduce the number of physical servers and therefore the energy requirements for power and cooling
- creating of a **wind turbine** that produces 60% of NRB's energy needs

Suppliers and responsible purchasing

Since 2017, our procurement department is in charge of purchasing all material goods and services in order to get the best guarantees at the best conditions.

Ethias ensures that tenders for products and services include **environmental sustainability criteria** by choosing recyclable and energy-saving materials, ecological and biodegradable products.

Ethias also ensures that the general conditions of all order forms include an article in which the supplier undertakes to **respect the basic principles of the International Labour Organization (ILO)** and to ensure that any subcontractor respects them.

In 2020, Ethias subscribed to the **Green Deal Achat Circulaire** to promote the development of a circular economy in Wallonia.

Ethias signed electricity supply contracts with a guarantee label for the **green origin of the electricity**. This label guarantees the supply of energy generated by hydroelectricity, wind power, co-generation or solar energy (energy 2030).

A partnership has also been concluded with bpost in order to ensure the **CO_2 offset of postal shipping**.

Staff restaurant

Although the health crisis forced the shutdown of its restaurant operations, Ethias launched in 2021 a new formula for the catering services for its staff. It has therefore entered into a partnership with ISS Facility Services. This partnership includes:

- Use of **organic and/or locally produced products**
- Compliance with the **Fairtrade@Work Label**
- **Waste reduction**
- Adherence to the **Green Deal - Sustainable Canteens Charter**.

Building management

Compared to 2020, the energy balance of our buildings decreased by 1% and electricity consumption has been reduced by 54%. Natural gas consumption has increased by 33% in order to ventilate our premises in the context of the health crisis.

Reduction of occupancy area

In 2021, Ethias continued its real estate initiative aimed at reducing the number of square meters of office space occupied and thus its carbon footprint. This approach is supported in particular by the implementation of homeworking in combination with a desk sharing policy, in order to optimise work spaces.

Liège

In 2021, Ethias chose the location of its future offices in Liège, a brand-new building in the emerging **"Rives Ardentes" eco-district**, which will reduce its current surface area by 25%.

Hasselt

In order to keep on reducing our surface area and achieving our carbon neutrality goal, Ethias renovated its Hasselt building and implemented a desk sharing policy, thus allowing a 40% reduction in the surface area per workstation.

Brussels

In July 2021, Ethias inaugurated its premises in the Spectrum building. This energy-efficient site houses meeting and reception rooms as well as shared offices for the Ethias Group (Ethias and NRB).

Strategic renovation choice

Ethias monitors the exact energy consumption of its various buildings and regional offices. Thanks to the installation of energy metering modules and presence detectors, we can take corrective or innovative measures to reduce our emissions.

As we renovate and build our offices, we will benefit from the latest technologies, in particular by integrating more Smart Building sensors.

When choosing its equipment and infrastructure suppliers and partners, Ethias naturally takes into account ecological criteria (choice of recyclable and energy-efficient materials, ecological and biodegradable products).

In 2021, Ethias supported the installation of beehives on the roofs of its buildings in Alleur and Hasselt to promote biodiversity and the protection of bees.

Change Over: towards carbon neutrality!

Since 2003, Ethias has adopted a **participative approach in its CSR policy** and has been proactively following climate developments.

In response to climate change, Europe has launched the "Green Deal" with the aim of becoming the first climate-neutral continent by 2050.

In 2020, **Ethias took another step forward** by developing its multi-year "Change Over" plan with the aim to become a carbon-neutral insurance company within 10 years, while initially offsetting its current emissions. This plan rests on two main pillars:

- **Sobriety & efficiency**: having passive buildings, limiting unnecessary travel, promoting working from home, reducing excess consumption as much as possible.
- **The energy shift**: gradually shifting to low-carbon forms of electricity. This transformation will mainly concern the infrastructure and the overall mobility of employees. Ethias has taken the lead by deciding to quantify its ecological impact in order to better reduce this impact through numerous actions on the ground.

In order to make employees aware of this change and to involve them in its approach, Ethias has initiated in 2021 the gradual conversion of its car fleet to hybrid and electric vehicles and has pursued its homeworking po licy to reduce commute.

Change Over plan in 3 steps:

2020

Launching the plan
Offsetting our emissions through a **reforestation project in Zambia** aiming at:

- sustainably increasing crop yields, incomes and welfare of smallholder farmers
- reducing uncontrolled forest loss and degradation by increasing net forest cover

2025

Reducing our CO_2 emissions by one third
We will achieve this by:

- renovating or building new premises according to the principles of sustainable construction
- continuing our efforts to reduce the carbon footprint of our vehicle fleet

2030

Achieving carbon neutrality
We will achieve this through:

- low-carbon buildings
- a fleet of zero emission vehicles
- reducing our digital footprint in partnership with NRB.

Ambitions 2022

Ethias' new Sustainability strategy remains closely linked to our Brand Purpose "Daring to be human together". All actions considered for 2022 and beyond will always be guided by our mission to make people and solidarity our main concern.

Towards carbon neutrality!

Since 2008, Ethias has been measuring its CO2 emissions and working year after year to reduce its carbon footprint. Since 2020, Ethias has committed to an ambitious strategy to take the company carbon neutral by 2030! It also offsets all its residual emissions and has obtained the "CO2 Neutral" label. It has also set itself the ambition of decarbonising its investment portfolio by 2050, and intends to join SBTi in order to give itself the means to achieve this objective.

Read more about our Change Over plan on the Change Over on page 51.

CHANGE OVER !
CO2 NEUTRAL / 2030
ethias

If there is one lesson to be learned from the crises of the last two years, it is clearly that division and individualism get us nowhere. It is together that we can create a more resilient, just and inclusive society.

A Corporate Fund to help fight poverty and exclusion. We will commit all our forces to the fight against poverty and exclusion among young people and the most disadvantaged. In concrete terms, we will reorganise our philanthropic partnerships to develop a network of strong and committed actors to accompany us in this mission and create our own corporate fund dedicated to this fight (SDG 1 & 2).

Health and well-being for all (SDG 3) will also be at the heart of our actions. We have set ourselves the ambition to further improve the well-being of our employees and to continue to be a trusted partner for our clients.

Ethias is also **continuing on its path towards net zero carbon by 2030**, and is giving itself even greater resources to achieve this. Through the initiatives it has just joined (BACA and SBTi), it is committed to defining an ambitious plan to reduce its CO2 emissions. These ambitions go hand in hand **with a growing desire to reduce our carbon footprint in a sustainable way, as well as our footprint on biodiversity.**

All these projects force us to rethink the way we operate in an innovative way. Let us be ambitious, but humble, willing and willing to listen, and above all, let us dare. Let us dare to be human, let us dare to be creative, let us dare to be disruptive!

Let us create, step by step and together, the world we want to live in tomorrow.

End poverty in all its forms everywhere

Economic growth must be shared to create sustainable jobs and promote equality.

Ensure healthy lives and promote well-being for all at all ages

Empowering people to live healthy lives and promoting well-being for all at all ages is essential for sustainable development.

Sustainable cities and communities

Make cities and human settlements inclusive, safe, resilient and sustainable

Combat climate change and its impacts

The fight against global warming has become an integral part of achieving sustainable development.

Entry into the United Nations Global Compact

In 2021, Ethias renewed its membership to the United Nations Global Compact (became a member in 2006). The Global Compact remains fully integrated into the company's strategy:

10 UN principles for engaging business to	Ethias' answers
Support and respect the protection of internationally proclaimed human rights	• Joint Ethics Committee • Integrity policy • Social Ethical Code • Sustainable investment policies • UN PRI
Make sure that they are not complicit in human rights abuses	• Sustainable and responsible procurement policy • Sustainable investment policies • UN PRI
Uphold the freedom of association and the effective recognition of the right to collective bargaining;	• Social governance
Contribute to the elimination of all forms of forced or compulsory labour	• Sustainable and responsible procurement policy
Contribute to the effective abolition of child labour	• Sustainable and responsible procurement policy
Contribute to the elimination of discrimination in respect of employment and occupation.	• Diversity Charter • "Women in Finance" charter • Talent Management Policy
Support a precautionary approach to environmental challenges	• Change Over (carbon neutrality from 2030) and carbon offset projects • Environmental governance • Sustainable investment policies • UN PRI / PBAF / Climate Action 100+ / BACA
Take initiatives to promote greater environmental responsibility	• Change Over (carbon neutrality from 2030) and carbon offset projects • CO_2 emissions balance • Actions in favour of multimodal mobility
Encourage the development and diffusion of environmentally friendly technologies	• Responsible suppliers • Strategic choice of renovation
Work against corruption in all its forms, including extortion and bribery	• Integrity policy • Sustainable investment policies • UN PRI

Our employees,
who illustrated this
5th report, are proud
of our sustainable
commitments and
achievements.

Why this non-financial report?

For Ethias, the drafting of this non-financial report is a continuation of an approach that was initiated in 2007 with the drafting of what was then called the "Corporate Social Responsibility Report". This fifth edition of the report goes beyond the legal requirement. This document is intended to be a unifying instrument. It reflects the collaboration of all entities within the company to achieve a common goal: to be and remain a socially responsible insurer, redoubling its efforts to address the health crisis. Hence, the entire company contributes to the elaboration of this report by updating the CSR team on all the initiatives taken in the different departments over the year. This report is part of the financial report and follows the same approval procedure before the Executive Committee, Board of Directors and the company's General Assembly. This report contains Ethias SA's activities. Ethias has based this report on the 10 principles of the United Nations Global Compact and the United Nation's 17 SDGs. Each of Ethias' actions is guided by an overall strategy founded on these principles and the resulting commitments.

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