CONSOLIDATED ANNUAL REPORT

2022

We're here for you. ethias

Annual report

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 30 March 2023.

Unless otherwise specified, the amounts in this report are stated in thousands of euros.

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Content

Retrospective and vision of the chairmen

We're here for you

2022... **... The world is slowly emerging from the pandemic. It is overheating. The impact of the floods and storms is still being felt in much of Belgium. The start of the war between Russia and Ukraine in February is proving to be a seismic geopolitical event with tragic direct and indirect consequences. Beyond the unbearable human tragedy on the scene, economic difficulties have increased and inflation in Belgium reached its highest level in almost 50 years in October with a peak of 12.3%. Gas, fuel, electricity, raw materials, food... Prices are exploding and impacting the population and businesses. It also highlights the fact that our world has entered the era of cyberattacks.**

Crises no longer follow one another, they overlap. In this new world, and in the face of these new risks, trust, solidarity and the search for solutions for greater protection are more crucial than ever.

As you will discover in this report, our action plans have been defined to continue to accompany our stakeholders in this further development and to face the future in a responsible manner and as serenely as possible. This is how Ethias positions itself: a positive catalyst in the face of challenges.

A different, solid and responsible Belgian player at the service of society since over 100 years

Thanks to its ability to anticipate, its resilience and its more than a century of expertise, Ethias closed the year 2022 with a satisfactory result, close to its forecasts despite the complex context linked to inflation and the residual impact of the floods.

As at December 31, 2022, **the net result (Group's share) amounts to 398 million euros**. The **Non-Life** operating result amounts to 171 million euros. In **Life**, the operating results stands at 82 million euros. Overall income amounts to 2.9 billion euros, i.e. an increase of 130 million euros. This very good income result exceeds forecasts and is attributable to both Life insurance and Non-Life business. The **Solvency II ratio** stands at **170%**[1] after deducting the proposed dividend of 108 million euros. 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 108 million** euros will be paid to our four shareholders (the Federal State, the Walloon Region, the Flemish Region and the company EthiasCo).

A resilient and agile group that provides solutions

Ethias Group is an ecosystem composed of Ethias SA, NRB, IMA Benelux, Ethias Services, Ethias Pension Fund and Ethias Ventures at the service of its policyholders.

As an example, Ethias Pension Fund achieved significant success in 2022 by winning the public tender launched by the Federal Pension Service as a central purchasing office for managing the 2nd pension pillar for contractual employees of local authorities. This solution is a further illustration of Ethias' positioning at the service of local authorities to meet local challenges and issues related to pension coverage and property protection.

A new step towards a new world ...

Beyond economic performance, which is obviously essential for companies, Ethias wants to integrate sustainability objectives into its strategy for all its operations and activities.

As you will discover in this report, Ethias' societal commitment has been firmly anchored since the establishment of the company. This commitment was marked in 2022 by the presentation of the Ethias Youth Solidarity Awards, which aim to fight poverty among young people, the creation of the

1 Annual solvency assessment at December 31, 2022.

Ethias Impact Fund, the adherence to the United Nations Principles for Sustainable Insurance, numerous sustainable investments and partnerships, the pursuit of our Zero-Carbon Plan in 2030.

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, but also solutions for a new sustainable world.

The recent awards we have received illustrate this willingness, for our brand image, the quality of our products and services, the well-being of our employees and our desire to put people at the center of our concerns.

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 more than 5 000 employees within the group, who are working together and whom we wish to praise for their resilience during this truly exceptional period.

We wish you a pleasant reading.

We're here for you.

Philippe LALLEMAND
Chairman of the Executive Committee
Chief Executive Officer

Myriam VAN VARENBERGH
Chair of the Board of Directors

1. Presentation Ethias

1.1. A group with a mutual insurance philosophy

1.1.1 Direct insurer

To Ethias, being a direct insurer is not only a matter of business model. It is also about having a direct positive role and impact on the lives of its clients and people in general.

The economic developments following the war in Ukraine – especially the high inflation – have a direct negative impact on our purchasing power and welfare. In response, Ethias is committed to its products by supporting a range of insurances at affordable premiums, and, more broadly, the projects from 18 Public Centres for Social Action (CPAS) aimed at helping young people in poverty. In 2022, Ethias created the Ethias Impact Fund to strengthen our fight against poverty.

Being a direct insurer means being close to people and their concerns.

Ethias' phygital model

Ethias puts the client experience at the centre of its concerns. And because each and every customer is 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, Ethias wants above all to remain attentive to the expectations and needs of its customers. Halfway between digital and human contact, Ethias offers the best of both worlds with a phygital approach. **The goal? Providing a unique, simple, efficient and human experience.**

In this period of uncertainty, Ethias must be anchored in reality and enhance its human approach.

Ethias is there for its customers: at any time in their lives and whenever they need it. Ethias and every one of its employees are at their side. Without ever judging them. We are there for them, so that they are never alone.

1.1.2 The strength of a group

Building on the success of its unique model, Ethias created an ecosystem capitalising on the strengths and specificities of its subsidiaries to position Ethias as a value-generating group for all its stakeholders.

The main entities of Ethias Group are:

- **Ethias:** over 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 suited solutions for financing pensions
- **Ethias Ventures:** launched at the end of 2022, a new tool for investing in start-ups working in insurtech and ecosystems with added societal value close to insurance: mobility, health and housing

From a strategy as an insurer to a strategy of integrated and durable services for clients and the public

The Ethias group ecosystem relies on the synergies, expertise and talents of more than 5.000 employees to speed up the implementation of solutions in areas such as health, ageing, mobility and public services. This allows Ethias to offer services that goes beyond insurance contracts by also focusing on sustainability aspects.

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

1.2. Strategic foundations

1.2.1 Brand Purpose

A **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, making them, more than ever, a lever for 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 putting to the test the much-needed solidarity to build a responsible and sustainable society of the future.

Human and ethical values are all too often disregarded, even though they are our sole and unique reason for existing.

That is why, at Ethias, we put people and communities at the heart of everything we do.

At the centre of our actions, our concerns, our resources and our objectives, the H in Ethias symbolises the human values that have always given meaning to the incredible resilience of our company.

At Ethias, we enable our staff and partners to grow and to give of their best. We are agile and flexible. 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 know the world around you. Our job Is to be a direct insurer, being in direct contact with life and bringing solutions directly to you.

We are here to protect you and encourage you to focus on what you are, what you want to become, what you want to achieve. Whether you are a single person, a couple, a family, an association, a company or a community.

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"**

1.2.2 Values

These values are the foundation of Ethias' identity, culture and personality. In a nutshell, they are the DNA of Ethias and were redefined in 2018 with all Ethias staff.

#Human

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

For over 100 years, we have been daily committed to our clients, to our colleagues and to society. We are reliable, trustworthy, willing and ethical.

#Confidence #Trustworthy #Efficiency #SocialResponsibility #Ethical #Responsible #100years #Proactive

#ClientSatisfaction

It is the driving power behind our activity and everything we do. Through our mutualist origins, we cherish the relations with our customers and strive for exemplary service quality. Our availability, efficiency and flexibility are no longer to be demonstrated and contribute to our customer satisfaction.

#Accessible #Partner #Flexibility #Adaptability #Efficiency #Simplicity #Agile

#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

1.2.3 Mission

Making insurance easier so as to bring to Ethias' clients security, peace of mind and freedom of initiative, with innovative services and products. As partner of your daily life, Ethias put its expertise and energy at your service.

1.2.4 Vision

Ethias' vision for the future is built around 3 axes that represent its strength:

- **Direct:** Ethias is a direct insurer, creating and strengthening relationships with its clients
- **Digital**: at the heart of its strategy, but serving people
- **Public sector:** Ethias is proud to be the number one insurer in the public sector and to be able to serve everyone

1.3. Products and services

1.3.1 Compensation for natural disasters: a top priority

Ethias is committed to its policyholders 7 days a week

Following the exceptional floods of July 2021, more than 14,000 claim files were opened at Ethias.

In February 2022, nearly all B2C policyholders were compensated. Ethias has also been cited in the press on several occasions as the insurer having compensated in the shortest period of time a maximum number of claims related to this disaster.

In February 2022, more than 15.000 cases were opened in the wake of the storms. Our case managers got quickly in the field to take care of the victims. Ethias has made it a point of honour to show the same efficiency as during the floods and to support its clients as best as possible.

1.3.2 One main motivation: Customer satisfaction!

Ethias is perceived in 2022 as a player with a wide range of insurance products, easily accessible, as well as quality contract and service[1].

Satisfaction measured among private clients[2]

- The NPS study conducted in 2022 shows an **overall satisfaction rate** with Ethias of 92%.
- After a first contact with Ethias, **2 out of 3 clients would recommend the insurer to their family and friends**

Satisfaction measured among corporate clients[3]

- **The overall satisfaction rate** of Ethias' clients is particularly high (93%).
- **9 out of 10 clients see Ethias as their preferred partner** in the insurance field (Non-Life)

Complaint man

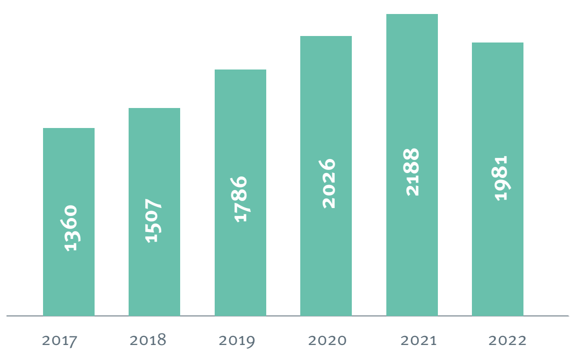
Ethias complies with the Assuralia Code of Conduct for complaint management.

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 a month 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.

GRAPH OF THE EVOLUTION OF COMPLAINTS



The decrease in the number of complaints in 2022 is strongly marked in the 2nd half of the year.

This noticeable decrease in all our services highlights Ethias' desire to put client satisfaction at the forefront of its concerns.

The availability of Ethias employees, even outside normal office hours, made it possible to clear the backlog due to the latest exceptional natural disasters.

1 These indicators come from the Brand Image study, which measures the positioning and image of Ethias towards private individuals (customers/prospects). 2022 sample: 2.000 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 (customers & 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 et renewed once every 2-3 years. 2021 sample: 135 B2B clients.

1.3.3 An increasingly sustainable product range

By continuously improving its product range, 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.

1.3.3.1 For individual 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.

New version of Bike & More

While the car market is in trouble, the bike market has never been better. The momentum generated by the health crisis continues to build.

The Bike & More product is growing at an average of 51% since its launch in 2019. Today, the growth continues and has reached 24% in 2022 thanks to actions carried out by Ethias throughout the summer. The Mobility Pack (25% discount on the Bike & More product when combined with car insurance) boosted the conversion rate of quotes into Bike & More contracts to over 60%. By the end of December 2022, nearly 18,000 clients trusted Ethias with this insurance product, in line with its ESG policy.

Health

Ethias’ goal? To complete the 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, or cosmetic products (turban, scarf, etc.). Ethias also reimburses these costs up to a maximum of €500 if the insured chooses a service provider other than those offered through the Ring Twice partnership.

Home

The home insurance automatically covers green installations (solar panels, photovoltaic panels, heat pumps, etc.)

Co-tenant insurance Flora by Ethias

The number of flat-shares 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 co-tenant insurance is a zero deductible insurance policy that provides all co-tenants with third party liability cover for damage to the rented property or neighbouring properties as well as content cover for the entire rented property. Ethias brought a unique option to the market that allows co-tenants to purchase an insurance cover for damages they would cause to each other as well as assistance in conflict management. A very useful guarantee when we know that more and more co-tenants did not know each other before moving in together.

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

5 COVID-related cover extensions have been integrated into the Assistance and Cancellation products, automatically (for both existing and new clients) and free of charge (no premium surcharge). These benefit extensions allow Ethias’ 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.

67.000 social houses have an adapted package for their basic insurance: important instruments to fight poverty.

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". Customers who take out a mortgage through this social fund can also benefit from our home insurance.

Vlaams Huurdersplatform

At the end of 2022, Ethias entered into a partnership with the Vlaams Huurdersplatform. The VHP supports the functioning of the tenants' unions and the network of social tenants (VIVAS - Vereniging van Inwoners Van Sociale woningen). This association also protects the interests of tenants, particularly the most vulnerable, by virtue of the fundamental right to housing. VHP affiliates and members can purchase tenant insurance at a discounted rate.

Blue Bike

Ethias extended its collaboration with Blue Bike until 2024. Blue Bike is a shared bike system in which De Lijn and the Flemish and Walloon Regions are the main shareholders.

Ethias and Blue Bike are working closely together to achieve sustainable mobility. In addition to visibility at bike points and on bikes, we are looking for other win-win activities as part of our Sustainability strategy.

1.3.3.2 For the public sector & corporate clients

Ethias, leading insurer in the public sector, insures major public sector players committed to sustainable development and alternative energy.

Mobility

Mobility & More

The Mobility & More insurance is an innovative and flexible product that covers the travel of the 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.

Recently, Ethias extended this product to the guarantee "civil liability for the use of a soft mobility device" in order to further promote soft mobility for professional use and to offer employees guarantees similar to those enjoyed by employees who own a company car.

Property

Property insurance (fire and all risks)

Ethias insures 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.

Cyber Protection Insurance

This insurance has been developed for local public bodies (municipalities, cities, CPAS, police and rescue zones) to cover their cyber risks and to help them to further secure their IT tools as well as their business data in the service of the people.

The goal is to make these clients aware of the importance of protecting their sensitive data and to support them in securing their IT infrastructure.

Health

Occupational disease insurance

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 (gardening, cleaning, etc.) to improve the well-being of insured persons hospitalised due to a serious illness.

1.3.4 Beyond Insurance: Ethias' services

1.3.4.1 For private individuals

Because the protection of physical and mental health, prevention at home and on the road are at the heart of Ethias' business.

Mobility

Liberty Rider

App for motorcyclists calling emergency services after a crash.

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.

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.

Home

Home Services

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 any more, you are the victim of a break-in, your electrical installation breaks down...)

1.3.4.2 For public bodies and companies

These services (training, audits and consultancy) are focused on prevention and risk management. Customized support

Ethias Services offers services in three main areas:

- Protecting people
- Protecting buildings
- Protecting business

These three areas are also integrated into the Ethias Services training school. Clients can register on-line directly on the platform that includes all services: solutions.ethias.be

A range of sustainability services

In 2022, Ethias Services develop new sustainable solutions.

Regarding energy, Ethias Services has entered into a partnership with Helexia, an ESCO (Energy Service Company), which has been supporting the energy transition for more than 10 years.

Reducing carbon footprints, achieving self-sufficiency and controlling costs are important challenges for all public sector institutions, but these things are not always easy to navigate. This is why Ethias Services, Ethias' Beyond Insurance solution provider, and Helexia Belgium have joined forces to support them in implementing their energy transition.

But also in the **field of air quality** by analysing, purifying and communicating in real time the quality of indoor air. Together with our partner, we help venue managers and operators to comply with CO2 standards and to protect their guests.

Psychological support

Let's Talk is a phone counselling service that can be activated during times of crisis as in 2020 (Covid crisis, for students and small businesses and their staff) and in 2021 (flood victims).

Managing psychosocial risks

Degrading mental health, workers reluctant to come back to work, declining well-being index for everyone... 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.

This is particularly the case with a series of services in the field of cyber risk management. These services allow companies to gain maturity in this area.

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, evacuation drills, mitigates the harmful effects of a fire and facilitates the intervention of the emergency services.

In order to establish a direct link with its policyholders, while remaining attentive to their needs and limiting paper consumption, online magazines, information sheets, awareness-raising videos and customer testimonials are available to local authorities on the blog (www.ethias.be/blog-fr).

Ethias Cyber Prevention

Cybercrime is one of the emerging risks and has become a major challenge for companies.

Improved security will depend on both the implementation of protective devices and preventive actions, such as changing user behaviour, but also reacting quickly during a cyberattack with expert intervention for data recovery.

Ethias Cyber Prevention assists companies in the implementation of **a prevention policy** (security audit, action plan suited to the identified risks, business continuity plan, cybercrime awareness, fight against phishing). Ethias also offers various Cyber Security services.

UrbanData

UrbanData is designed to help in the decision-making process prior to the implementation of multi-domain public policies and in monitoring their effects.

What indicators about the municipality do decision-makers need? Where and when do claims occur? How do we interpret the data? What are the impacts on the municipality's operations?

Data are aggregated from different sources so the tool can identify, select and analyse different types of accidents that occurred over a long period of time in the municipality.

You can view geolocated claims on interactive and dynamic maps, and sort by postal code, neighbourhood, street, with a classification of the most accident-prone areas. Moreover, you can follow the evolution of claims over time in different areas, including by month and day of occurrence. It allows you to determine the most frequent types of claims and to geolocate them within the municipality.

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.

2. Key facts of 2022

2.1. Market conditions in 2022

2.1.1 Entering a new macroeconomic cycle

In 2022, while the health aspect of the COVID crisis seemed to be history, its macroeconomic repercussions were beginning to be felt, mainly through increasing pressure on inflation. A spectacular reversal in the Fed's stance, which until then had considered this rise in inflation as " transitory", was the first element in a series of rapid future adjustments in monetary policy at global level. At the end of February, the outbreak of war in Ukraine was to cause a further shock to commodity and food prices, pushing oil to the 110-dollar a barrel level for the first time since 2011. A few weeks later, the Fed began to raise its key interest rates. Shortly afterwards, China re-implemented strict containment measures in its territory in an attempt to contain a new outbreak of COVID. Against this backdrop, logistical tensions in the supply chains were far from abating. At the end of the first year-half, the US stock markets "officially" entered a Bear Market after falling by more than 20% from their recent highs. In Europe, the energy crisis hit households and businesses hard after Russia unilaterally decided to stop supplying gas to a number of European Union countries, driving gas prices to a record high. This spike in gas prices will in turn affect electricity prices, due to the current functioning of the EU energy market. Faced with this situation, the ECB tightened its monetary policy in July, four months later than the United States. The "zero interest rate" policy in the Euro zone was thus abandoned. It is not until December 2022 that the inflation peak will be passed, with European inflation settling at an annualized rate of 9.2% (after a high of 10.6% reached in October).

In this context, the growth-inflation dynamic has evolved negatively in 2022 with a real risk of having a prolonged period of high inflation and low growth. Indeed, the level of inflation in Europe as well as in the United States has broken record after record while global GDP has slowed. Faced with the risk of sustained and uncontrolled inflation, central banks have therefore decided to tighten their monetary policy by announcing several rate hikes in 2022 and the end of massive liquidity injections into the markets.

The combined effects of the significant rise in inflation and the central banks' actions to contain it are beginning to be felt on the prospects for global and European growth. However, faced with the risk that all components of inflation will not decline sufficiently, central banks are likely to continue their rate hike cycle in 2023.

2.1.2 High market volatility

As a result of monetary tightening and high inflation, government bond rates showed a lot of volatility and ended 2022 with a significant increase, especially on the short end of the curve. For example, the Belgian 10-year bond rate ended the year 2022 at 3.22% compared to 0.19% at December 31, 2021.

The difficult economic context and the tightening of the FED's and the ECB's monetary policies were also largely unfavourable to the equity indices. For example, the EuroStoxx50 ends up at -11.74% in 2022 while the S&P500 loses more at -19.44%.

2.1.3 Impact on the financial management of Ethias

Despite a turbulent macroeconomic context, our financial management has limited the impact of financial market volatility on the performance of our investment portfolio. Indeed, we have not observed a significant increase in our default risk. This is mainly due to a wide diversification of issuers held but also to their very good credit quality. As Ethias has no direct exposure to Ukraine and Russia, the conflict had no direct impact on its portfolio.

In addition, as in previous crises, our investment and risk teams apply an active investment strategy, which means that they always react to current events and take appropriate measures to protect the portfolios. With a view to holding our bonds forward in relation to our ALM management, the decline in the market value of our bonds is offset by the decrease in the value of our liabilities. Measures have been taken to protect portfolios against rising interest rates, notably through hedging derivative programmes. Other risks, such as the risk of widening credit spreads, rising long-term inflation or equity risk, have also led to the implementation of targeted management measures.

Finally, the rise in interest rates has allowed Ethias to make investments on more favourable terms, thereby strengthening the average rate of return on its portfolios for the years to come. The rise in inflation had a positive impact on the performance of its inflation-linked bonds.

2.1.4 Impact on insurance products and technical liabilities

In this specific macro-economic context of high inflation, underwriting risk management and provisioning were impacted and tariff increases were applied. In addition, Ethias has also reviewed some of its assumptions and estimation methods to reflect the observed and expected inflation levels in its financial statements.

In response to the invasion of Ukraine, the European Union has imposed a series of sanctions against Russia. Ethias, through its Compliance department, regularly ensures that its investments and its relations with clients or intermediaries respect the rules in force.

2.2. The COVID-19 pandemic

Since the beginning of the pandemic, Ethias has wanted to play an active social role by providing assistance to several actors in our society. In 2022, Ethias continued this commitment by providing free Civil Liability and Bodily Injury insurance for all COVID vaccination centers and by offering - beyond insurance - its support to sectors that needed it:

- Immediately after spring half-term, Ethias distributed **1,500 jars of hydroalcoholic** gel to the insured **schools** of nursery, primary and secondary education.
- Ethias granted the **cultural sector** a **25 % discount** on the 2022 fire insurance premium.
- Ethias offered a new **premium reduction** for Belgian **sports federations**.

2.3. Fitch rating maintained

In May 2022, the agency Fitch announced maintaining Ethias SA's **rating at "A (positive outlook)"**, highlighting once again the company's high level of capitalization, its low debt ratio and its strong operational profitability.

2.4. Dividend distribution

The General Meeting of May 18, 2022 approved the distribution of a dividend of 105 million euros for fiscal year 2021.

2.5. Storms and floods

Following the exceptional floods of July 2021, more than 14,000 claim files were opened at Ethias. At the beginning of 2022, nearly all B2C policyholders had been compensated.

In February 2022, more than 15.000 cases were opened in the wake of the storms. Our case managers got quickly in the field to take care of the victims. Ethias has made it a point of honour to demonstrate the same efficiency as during the floods and to provide its clients with the best possible support.

2.6. Ethias Impact Fund

In October, Ethias set up the Ethias Impact Fund. This fund, managed by the King Baudouin Foundation, will enable Ethias to carry out philanthropic actions. The fund will be the "armed wing" of the social component in Ethias' Sustainability strategy. In addition to structuring Ethias' philanthropic policy (financial donations), this fund will also have the task of developing a vast network of partners in the field, with the aim of using this network to carry out "double impact" actions for society. Ethias will therefore not only provide financial resources but also time and expertise.

For the first three years, the Ethias Impact Fund will give priority to projects or associations related to the fight against child poverty, health and environmental protection. This support will be provided mainly through calls for projects, such as the Ethias Youth Solidarity Awards.

2.7. Ethias signs the United Nations Principles for Sustainable Insurance (UN PSI) and joins the SBTi initiative

After joining the UN Global Compact in 2014 and the UN PRI in 2020, Ethias signed up to the UN Principles for Sustainable Insurance in October 2022. Whether environmental, social or governance, these principles are the benchmark for insurers in terms of sustainability. Ethias thus reinforces its commitment to reduce risks, develop innovative solutions, improve business performance and contribute to environmental, social and economic sustainability. This is the logical implementation of its Sustainability strategy and its integration within the company and its entire value chain.

In line with the commitment made in 2021 when joining BACA, Ethias joined the SBTi's Net-Zero ***(Science Based Targets Initiative*)** in December 2022. This strong commitment by Ethias aims to file - and have an independent body validate - a plan containing **intermediate decarbonization objectives** with a view to achieving carbon neutrality in line with the objectives of the Paris Climate Agreement. Ethias is **thus pursuing its trajectory towards net-zero carbon by 2030** and is giving itself even greater means to achieve this. These ambitions **go hand in hand with a growing desire to reduce the carbon footprint in a sustainable way, as well as the footprint on biodiversity.**

2.8. Partnerships and social player

In May 2022, Ethias signed a protocol agreement with the German-speaking Community and Proximus to deploy **fiber optics** throughout the German-speaking Community.

Moreover, as a Belgian insurer, Ethias wants to have a positive impact on society. This is why Ethias has invested in 3 new partnerships offering **real estate investments** that meet **ESG criteria**.

- **Vicinity Affordable Housing Fund** ("Vicinity") aims to provide quality rental housing with low or no energy consumption, ensuring a significant societal and environmental impact through a new property management model.
- **Revive** revives old brownfields and neglected downtown sites into green urban centers.
- **Hamsterhuren II** enables tenants to become homeowners thanks to the "Squirrel" rental system (conversion of at least 50% of a maximum of 8 years' rent into a down payment for a mortgage loan) and provided that the real estate projects are based on energy-efficient techniques and use sustainable materials.

2.9. Innovation dynamics

" Learn the lessons and move fast " is how Ethias intends to move forward in terms of innovation. After testing and developing several innovations and launching its services marketplace, Ethias is moving up a gear thanks to the experience it has gained. Thus, capitalizing on the initial success of its 100% digital offer, which has been further expanded in 2022, Flora is also becoming Ethias' bridgehead for the development of *embedded insurance*. On the other hand, Ethias Ventures will become the new tool for investing in start-ups active in the Insurtech field as well as in ecosystems with societal added value close to insurance: Mobility, Health and Housing. Data at the service of the client: in addition to its use from improving the customer experience, Ethias has a large amount of data that can be used to assist cities and municipalities. This is the objective of UrbanData, the tool that makes an inventory of all registered claims in a city or municipality, by means of a visual map. Finally, the *Client Zone* is now accessible from the Ethias app: a way to have all services and contracts at your fingertips.

2.10. Closing of Head offices on Mondays

Ethias has decided to expand its actions to reduce its carbon footprint and at the same time respond to the expectations of employees to move towards greater flexibility by introducing new hybrid work methods. Every Monday, the head offices in Liège and Hasselt are closed and employees are invited to work from home. Ethias also allows homeworking up to 3 days per week, i.e. 60% of the working time.

This measure, innovative on the Belgian market, will allow Ethias to reduce its dependence on fossil fuels. This is in addition to the numerous initiatives deployed over the past few years, which have enabled the company to reduce its carbon footprint by one third, four years ahead of schedule.

The closure of the offices has no impact on the clients as all regional offices (including Liege, Hasselt, and Alleur) remain fully accessible.

2.11. Awards

In 2022, Ethias received the "**Top Employer**" certification from the Top Employers Institute (EIS). This title rewards the company's policy towards its employees and its HR practices, with a particular focus on the initiatives implemented in the areas of Well-being, Work Environment, Organization & Change and Digitalization.

As in previous years, Ethias won several **DECAVI** awards, including one for tenant insurance, workers' compensation insurance and personal liability insurance. For the third time in a row, Ethias received the DECAVI trophy for its **societal commitment**. This award confirms the relevance of Ethias' commitments and its desire to put people at the center of its concerns.

Finally, its brand image was also rewarded with the "**Best Brand Award 2022**", with Ethias being elected as the number one for the insurance sector.

2.12. Sponsorship and partnership with Wout van Aert

Since the beginning of the summer, the visibility of Ethias has increased thanks to various sponsoring initiatives, such as its presence at several French- and Dutch-speaking festivals and at several sporting events like the Ethias Tour de Wallonie, the Woman Races or the Ethias Ladies Open of Eupen.

After his exceptional performance in the Tour de France (winner on 3 stages, super combative title, green jersey) and the interest he has aroused among the media and the public, Wout van Aert is undoubtedly a quality ambassador for Ethias. The values he conveys (teamwork, application of a clear and solid strategy, hard work and surpassing oneself) are clearly in line with the company's philosophy.

2.13. Obtaining the public tender of Federal Pension Service (FPS)

In September, Ethias Pension Fund OFP won the public tender launched by the Federal Pension Service as a central purchasing office for local authorities. In concrete terms, this public tender designates Ethias Pension Fund, a multi-employer occupational pension institution, as the manager of the "defined contribution" supplementary pension schemes set up by the local and provincial authorities of Wallonia, Flanders and Brussels for their contractual employees. This potentially concerns tens of thousands of contractual agents. In the motivation for its decision, the Federal Pension Service points out various strengths and major assets that weighed in the balance. It underlines in particular:

- The professionalism and relevance of the service offer
- A structure allowing for a real involvement of local authorities through representation in the competent operational body
- An investment policy that takes into account the budgetary constraints of public sector organizers while focusing on environmental, societal and governance (ESG) factors
- A plan of approach to facilitate the enrolment of local authorities and to finalize the management process before the end of 2022, enabling local bodies to obtain the certificate entitling them to a reduced accountability contribution
- Support, flexibility and proximity.,

2.14. Strengthening the partnership between Ethias and NRB

At end-2022, the partnership between Ethias and NRB was strengthened. It provides for major commitments on the part of NRB in terms of innovation, modernization and gradual transformation of current systems, but also continuous improvement of operations by optimizing capacities and within a contained budgetary envelope.

2.15. NRB wins 5G frequencies

In June, the federal telecom market regulator BIPT awarded 5G frequencies to NRB. This will allow NRB's teams to develop very high value-added use cases and applications, exploiting 5G in the various sectors in which NRB is active, and in particular, utilities, industry, logistics, hospitals, smart cities and public services.

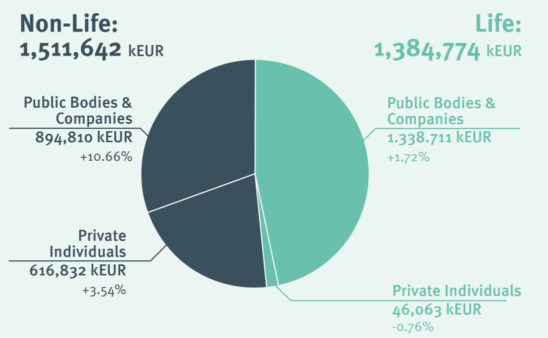
2.16. New executive team for NRB

Henri Thonnart, who has known the NRB group since its creation, notably as CFO, has been appointed CEO of the group. Melchior Wathelet, who was CEO of Zorgi and in charge of the subsidiaries, has taken over the lead of all commercial teams. Olivier Lallemand, who was CEO of Afelio, has taken over the Applications division and Michael Boeckx, previously Chief Security Officer, has taken over the Infrastructure division. Anne Gemine has remained in charge of the Human Resources Department.

3. Key figures

3.1. Essential data of the consolidated income statement

INCOME 2022



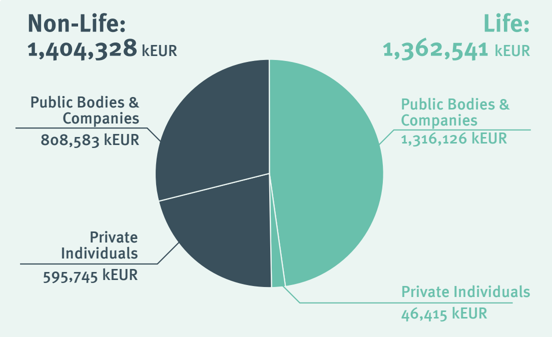
YEARLY FLUCTUATION

+7.64%

+1.63%

+4.68%

INCOME 2021



NET PROFIT (LOSS) ON CURRENT TRANSACTIONS AFTER TAX

2022	2021
413,053 kEUR Fluctuation: +97.07%	209,592 kEUR

SHARE OF THE ASSOCIATED COMPANIES IN THE RESULT

2022	2021
(2,162) kEUR Fluctuation: +402.94%	(430) kEUR

NET CONSOLIDATED INCOME

2022	2021
410,891 kEUR Fluctuation: +96.45%	209,162 kEUR

GROUP'S SHARE

2022	2021
397,599 kEUR Fluctuation: 110.40%	188,970 kEUR

NON-CONTROLLING INTERESTS

2022	2021
13,291 kEUR Fluctuation: -34.17%	20,192 kEUR

3.2. Essential data of the consolidated financial position

TOTAL ASSETS

2022	2021
18,323,649 kEUR Fluctuation: -13.51%	21,186,346 kEUR

EQUITY OF THE GROUP

2022	2021
1,553,277 kEUR Fluctuation: -48.39%	3,009,552 kEUR

NON-CONTROLLING INTERESTS

2022	2021
72,035 kEUR Fluctuation: -2.59%	73,950 kEUR

3.3. Regulatory coefficients

SOLVENCY RATIO OF THE COMPANY ETHIAS SA

2022	2021
170 % Fluctuation: -8%	178 %

The Solvency II margin at end-December 2022, established according to the standard formula, stands at 170% and takes into account a dividend of 108 million euros which will be proposed to the General Assembly. At end-2021, the Solvency II margin stood at 178% and took into account the dividend of 105 million euros.

3.4. Other key figures

NUMBER OF EMPLOYEES

2022	2021
4,386 Fluctuation: 1.02%	4,342

ETHIAS SA

2022	2021
1,952 Fluctuation: -1.21%	1,976

NRB GROUP

2022	2021
2,324 Fluctuation: 2.40%	2,270

IMA BENELUX

2022	2021
110 Fluctuation: 14.58%	96

4. Result of the financial year

The year 2022 records a consolidated profit (Group's share) of 398 million euros, an increase of 110% compared to the 2021 result. This evolution is explained by a good performance of the Life and Non-Life activities, offset by a deterioration of the other activities of Ethias SA and of the NRB group.

Total income amounts to 2,896 million euros, i.e. an increase by 4.7% compared to the 2021 income, resulting from a 7.6% increase in Non-Life income and a 1.6% increase in Life income. The adjusted operating combined ratio is 93%.

The **result of the Non-Life business** amounts to 166 million euros and is clearly up compared to the year 2021 (+75%) which was strongly impacted by the July floods.

The **result of Life business** amounts to 381 million euros. The good result of the Life activities in 2022 is explained in particular by a good insurance technical result (in particular mortality gains) and by the reversal of the provision for risk which is no longer necessary given the result of the liability adequacy test. These good results made it possible to endow the provision for profit-sharing (net of taxes) with 32 million euros, mainly for ring-fenced funds from the 1st pillar.

The **result of the other activities** amounts to -18 million euros, including -37 million euros from Ethias SA and 19 million euros from the NRB group.

Tax expenses for the financial year amount to 132 million euros.

Item 7 of Section ***15. General information*** contains more information on the result of the financial year.

5. Sustainability

This section addresses sustainability within Ethias SA, the parent company and the group's main contributor.

5.1. Ethias' history of sustainability

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 3000 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

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**
- DECAVI trophy for our non-financial report

2020
- **DECAVI trophy for all our societal 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 +**
- New Sustainability Strategy 2022-2025

2022
- Ethias Youth Solidarity Awards
- Creation of the **Ethias Impact Fund** (King Baudouin Foundation)
- DECAVI Life Insurance Award for our social commitment
- Red Touch Challenge
- Ecovadis Silver Medal
- Top Employer Certification
- ReGeneration Movement
- Signing of **UN PSI**
- Signing of **SBTi**
- Partnership with **Natuurpunt**
- First participation in **De Warmste Week**
- Permanent support to the **Pelicano association**

5.2. Sustainability Strategy

5.2.1 An integrated strategy at the heart of our business

Integrating sustainability into the company's strategy means, first and foremost, taking a 360-degree view and taking into consideration that our thinking and decisions for our stakeholders: customers, employees, shareholders, suppliers and society.

Ethias' Sustainability strategy was reviewed in December 2021 and 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.

Built around the three main ESG pillars (Environment/Social-Societal/Governance), it can be brought down to **10 major commitments** towards the planet, society and its various stakeholders.

5.2.1.1 10 essentials

1. To develop and offer clients ever more **sustainable products and services**, in line with European requirements
2. To focus on **prevention** to meet the challenges of sustainability
3. To pursue the path towards **carbon neutrality** with the **Change Over** plan
4. To help **regenerate ecosystems** and **biodiversity**
5. To reduce its **environmental impact** and strive for **“Zero Plastic”**
6. To strengthen its responsible investment approach
7. To create **impact** in society through its **Ethias Impact Fund**
8. 8. To embrace each person in his/her/their **diversity** and **uniqueness**
9. To bring sustainability to life within the company with the **#ReGeneration Movement**
10. To promote sustainability by joining **networks and communities of experts** in Belgium and around the world

5.2.1.2 Sustainable Development Goals

The 17 Sustainable Development Goals (SDGs) 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.

Our Sustainability strategy is based on these SDGs, and more specifically on the 6 goals where Ethias believes it can have a real impact on society. These include goals to **eradicate poverty**, **promote health for all**, create **more sustainable cities and communities** , adopt **more sustainable patterns of production and consumption**, **fight climate change** , and **promote and encourage all forms of collaboration**

in these key areas. You will find below a framework between these objectives, their targets and the main actions and commitments of Ethias.

“In 2022, we integrated sustainability further into all of the company's operations and beyond. The primary role of the Sustainability team is to ensure that the sustainability strategy does not live outside of the corporate and group strategy, but is fully integrated into it. To achieve this, we could count on the commitment and support of the Top Management, but also of all the employees who have committed themselves to making sustainability a core element of their work, whether it be our Stream Leads Sustainability or all the people who have joined us in the ReGeneration Movement meant to bring together all the employees who want to work for change.“

Bénédicte PASSAGEZ, Head of Sustainability, Ethias

5.3. Sustainable governance

5.3.1 Cross-company and participatory approach to sustainability

Ethias’ Sustainability strategy is not the prerogative of a single person or a few “lucky” ones. It is driven through 15 workstreams, so that sustainability penetrates all levels of the company.

These working groups regularly hold collegial meetings to implement their strategy. They draw their inspiration from the thoughts and initiatives of Ethias employees within the ReGeneration Movement.

SUSTAINABILITY GOVERNANCE

Every Day Is An Impact Day: Sustainability at the heart of Ethias

In 2015, in the wake of COP21 which saw the birth of the Paris Climate Agreement, a group of committed colleagues launched the **Green Movement** to raise awareness within the company of the importance of reducing its carbon footprint.

In 2022, in line with the new Sustainability strategy and the concerning state of the world, this movement now rises from its ashes after it ran out of steam during the pandemic. Today, its missions and ambitions not only encompass the ecological transition but also to the broader theme of Regeneration.

Each Ethias employee is free to join the new **ReGeneration Movement** and to make a change on society and the planet. Every day and every action, no matter how small, can make a difference in creating a better future.

Launched in early 2022, the movement has quickly grown to nearly 100 employees active as volunteers. Several actions were carried out this year:

- A jumble sale with clothes and toys, part of the profits of which were donated to the Pelicano Association
- Raising awareness and training employees on the challenges of climate change through the workshop Fresques du Climat
- Communication and awareness-raising actions: testimonials from employees involved in sustainable approaches, sustainability quiz, etc.
- Joint action with the organisation aSmartWorld, during the European Week for Waste Reduction. For each smartphone or tablet sold by an Ethias employee, one euro will be donated to the Pelicano association.

5.3.2 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**

5.3.3 Performance 2022

SILVER 2022 ecovadis Sustainability Rating

DECAVI 2022 LES TROPHÉES DE L'ASSURANCE

SOCIAL COMMITMENT

ENVIRONMENTAL FOOTPRINT

BIODIVERSITY

Restore biodiversity and prevent natural disasters

DECARBONIZATION TRAJECTORY

2030 NET ZERO OPERATIONS

Footprint of our operational activities: 4,339 tons of CO2e emissions, 60% of which comes from mobility

29% reduction in carbon emissions since the launch of the Change Over project

Both headquarters are closed on Mondays

2050 NET ZERO INVESTMENT

SBTi signature

TOP EMPLOYER*

- Purpose & values: **100%**
- Leadership : **98.71%**
- Sustainability policy: **95.63%**
- Work environment: **92.59%**

* Based on the Top Employer 2023 certification by the Top Employers Institute

BELGIAN ECONOMY

€5,2 billion invested in the Belgian economy

SUSTAINABILITY COMMITMENTS

ETHIAS YOUTH SOLIDARITY AWARDS

€450,000 to help CPASs fighting youth poverty

ETHIAS IMPACT FUND

Ethias Corporate Fund housed in the King Baudouin Foundation

REGENERATION MOVEMENT

More than 100 employees involved in this internal sustainability movement

We're here for you. ethias

5.3.4 Environmental impacts

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 must move towards a kind of balanced and regenerative prosperity. “

Benoit Piret, Head of R&D Human Resources

Even if Ethias’ activities do not seem polluting per se, 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 a plan for action to reduce the footprint. Since the beginning of our collaboration, CO2Logic used the “carbon footprint” method. Ethias asked to switch to the “GHG Protocol” protocol, which is used in particular in the SBTi trajectory to which we are committed. The goal is to harmonize the carbon footprint calculation method and the way all partners use data.

5.3.4.1 Change Over: towards carbon neutrality!

Ethias has been proactively monitoring climate change since 2003.

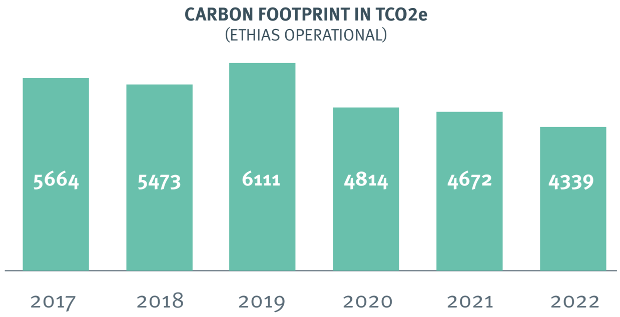
In 2019, in response to challenges due to climate change, Europe has launched the Green Deal with the aim of becoming the first climate-neutral continent by 2050.

In 2022, Ethias further deploys its initiatives with a multi-year "Change Over" plan aiming at becoming a carbon-neutral insurance company in its operational scope (excl. Asset Management), while initially offsetting 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.
- **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.

Carbon balance 2022

As a responsible and committed insurer, Ethias is particularly attentive to climate issues and the impact on the environment. Since 2008, Ethias has had an annual audit of its carbon footprint.



Ethias received the “CO2 Neutral Company” label in 2020 and 2021. This label is certified by an independent body and guarantees that the labelled organisations measure, significantly reduce and offset their residual CO2 emissions.

In 2022, CO2logic changed its labelling model by creating new, more granular categories and by emphasizing the importance of carbon footprint reduction.

Thanks to a **7.1 % reduction in carbon emissions compared to 2021**, Ethias is expected to obtain the “Silver CO2 Neutral Company” label this year. **The carbon footprint of Ethias' operational activity, i.e. scopes 1 and 2 in their entirety and the Upstream part of scope 3 (excluding financial investments) now amounts to 4,339 tons of CO2 equivalent**, of which 60 % comes mainly from mobility (including vehicle fleets) and 20 % from buildings.

5.3.4.2 Mobility

A mobility policy for employees

Ethias has made a public commitment to the theme of soft 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. It strongly encourages its employees to reflect on the way the use transport. We organize workshops and promote the actions of our cyclists through an internal newsletter. On average, they travel 21 kilometers per day (round trip).

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 soft 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 2022, Ethias was awarded 4 stars on the Label “Tous Vélo- Actifs”[1].**

1 Initiative of the Walloon region and Wallonie Cyclable more info on https://veloactif.be/

Fleet electrification

Ethias has a fleet of 1.050 vehicles (company cars and benefit plan). In December 2021n we introduced a new fleet policy focused on green mobility, which has led to an intense electrification of the fleet. 62% of the cars ordered in 2022 are electric. As a result, nearly 45% of the Ethias fleet will have emissions below 50g CO2/km by the end of 2024. We also lowered the CO2 limit for fossil fuel powered-vehicles, which further reduces our carbon footprint.

1st Mobility/Less Carbon exhibition

From September 16 to 22, 2022, Ethias put soft mobility in the spotlight through various awareness-raising activities ("Tous Vélo-Actifs" Challenge, bike ride to our new building, Less Carbon exhibition highlighting soft mobility, including carpooling).

5.3.4.3 Building management

Electricity consumption increased by 27%, mainly as a result of employees going back to the office after the pandemic.

Natural gas consumption decreased by 27% by lowering the average temperature in our buildings and by closing our offices on Mondays and streamlining our office spaces.

Reduction of occupancy area

In 2022, Ethias continued its real estate initiative aimed at reducing the square meters of office space occupied and thus its carbon footprint. This approach is supported in particular by the implementation of remote work 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 passive building (Breeam: excellent) in the brand new **Rives Ardentes eco-district**, which will reduce its current surface area by 25%.

The foundation stone was laid on 21/10/2022 and construction is in process.

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 work--station. The areas will be **completely renovated** based on Ethias' needs with **high quality materials** and **state-of-the-art technologies by the end of 2023**. The final building will meet high quality and relatively strict technical criteria, equivalent to a **BREEAM Very Good certification**.

Energy optimization program

Ethias monitors the exact energy consumption of its various buildings and regional offices. Thanks to the of energy metering modules and presence detectors, we can take corrective or innovative measures to reduce our emissions.

When we renovate or build our offices, we will benefit from the latest technologies, in particular by integrating more Smart Building sensors.

When it comes to our buildings, we always choose eco-friendly building materials.

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).

5.3.4.4 100% green electricity

Ethias signed electricity supply contracts providing electricity from 100% renewable sources (hydroelectricity, wind power, co-generation or solar energy).

5.3.4.5 Green IT

While IT tools support environmental aspects through the paper savings they generate, they can be a source of energy consumption themselves.

With its IT subsidiary NRB, Ethias wants 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 organisations in order to **extend their lifespan**
- **digitalizing** NRB's **servers** to reduce the number of physical servers and therefore the energy requirements for power and cooling
- The commissioning of **a wind turbine** on January 26, 2022. Its goal is to produce 41% of NRB's energy needs.

5.3.4.6 Compensation for mailings

A partnership has also been concluded with bpost in order to ensure the **CO_2 offset of postal shipping.**

5.3.4.7 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.

Paper consumption

Ethias has continued its efforts to reduce paper consumption, in particular through the digitalization of its communication flows and awareness-raising campaigns carried out with its partners and employees. In 2022, paper consumption decreased from 2019 (base year, excluding lockdown): 50% less paper used.

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.

5.3.4.8 Suppliers and responsible purchasing

As part of its responsible procurement policy, the Ethias Procurement Department is looking for the best guarantees at the best conditions for the supply of goods and services. In 2022, Ethias completely reviewed its responsible procurement policy to include more sustainability criteria. These are set out in a charter that translates the principles in terms respect for human and environmental rights and to which each new supplier is asked to comply with.

Ethias ensures that calls for tenders for products and services include an ESG component by submitting ESG questionnaires to suppliers. Their answers influence the weighting for the tenders leading to the selection of the supplier. 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.

Staff restaurant

Ethias offers its employees a catering service. It entered into a partnership with ISS Facility Services which offers:

- Use of **organic and/or locally produced products**
- **Compliance with the Fairtrade@Work Label**
- **Waste reduction**
- **Adherence to the Green Deal - Sustainable Canteens Charter**.
- **Free fruit** all day

Employees were given 6.5 tons of fruit throughout the year.

5.3.4.9 Regeneration and biodiversity

For several years, Ethias has been promoting biodiversity and the protection of bees by installing beehives in green spaces around its buildings in Alleur and Hasselt.

In 2022, Ethias is strengthening its efforts to protect biodiversity by joining forces with Natuurpunt to preserve the Zwarte Beek valley in Lummen. It is one of the last peat areas in Flanders, currently under great pressure due to climate change. Thanks to the financial support of Ethias and the Flemish Government, Natuurpunt will be able to acquire the necessary hectares to create a contiguous and robust nature reserve.

Water management is at the heart of this project, the objective being to allow this peaty area to regain moisture and thus play its role of storing CO_2, stimulating biodiversity, as well as acting as a buffer zone against flooding.

For Ethias, the protection of biodiversity is directly linked to its mission as insurer: more biodiversity contributes to the prevention of natural disasters, ultimately reducing the risk of claims and bringing more peace of mind to people and clients who live in high-risk areas.

5.3.5 Human impacts

Ethias would be nothing without the strength and commitment of its 1.952 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.

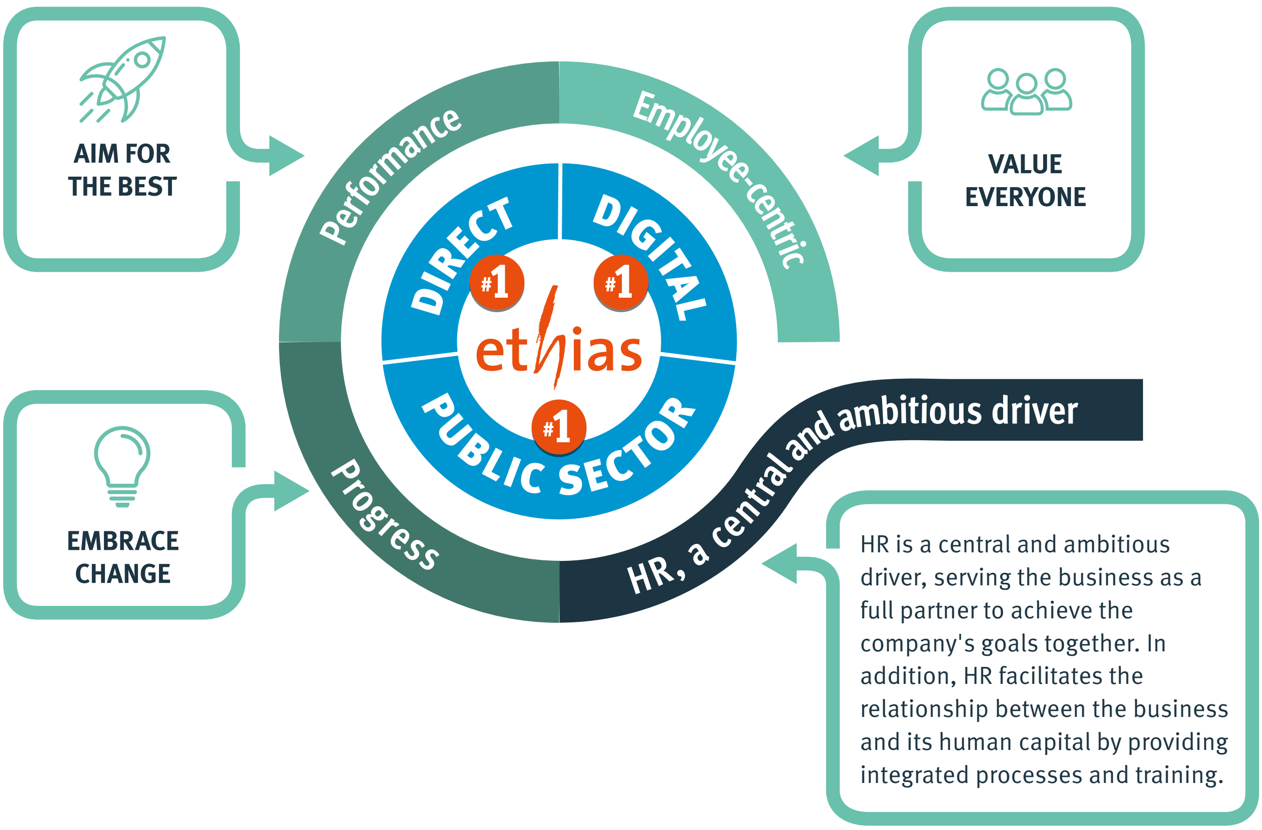
A respectful, collaborative and responsible social dialogue has always been part of Ethias' corporate culture. The social cohesion of our the company allowed us to thrive for over a century.

5.3.5.1 HR Mission

Ethias pursues a customer-oriented, modern and integrated HR policy in the interest of the company and its employees by ensuring quality service and without losing sight of the available financial resources. Ethias truly believes that People & Business go hand in hand.

5.3.5.2 HR Vision

Ethias wants to create conditions that allow employees to give their best in order to maximize the company's performance and client satisfaction. To achieve this goal, HR works constructively with all stakeholders to create a working environment where accountability and commitment, mutual respect and trust are of the utmost importance. Ethias truly listens to employees and managers. This provides a healthy balance between employees' needs and the company's.



5.3.5.3 HR Strategy

"DARING TO BE HUMAN TOGETHER"

Employer Branding

Employee Engagement Survey

In 2021, Ethias employees participated for the second year in a row in 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.

In 2022, the departments deployed their action plans.

- 82% of colleagues took the survey
- 86% see Ethias as a responsible company
- 85% believe in the company's values

Top Employer 2023 certification

In the spring of 2022, Ethias was given four weeks to complete a comprehensive survey: 400 questions on 600 practices, divided into 6 themes and 20 sub-themes with a focus on Leadership Development, Employee Listening and Purpose. On 17 January 2023, Ethias received confirmation that it had been awarded the Top Employer label for the second time.

Together@Home and Office

Hybrid work

Ethias implemented a balanced hybrid work policy outside the COVID restrictions on the principle of "neither a right nor an obligation".

Ethias still allows its employees to work from home voluntarily with 2 essential rules: the **Team Together Day** (i.e. the team must show up at the office at least once a week) and a **maximum of 3 days of remote work per week**.

This way, Ethias tries to find the right balance between face-to-face and remote work. By taking advantage of the benefits of distance learning, employees gain in flexibility, travel time, life balance... The company spares square meters while maintaining good productivity. All this without losing the social interactions and the corporate culture.

It is also important to ensure that people come to the office as much as possible on certain days of the week to strengthen relations between departments, facilitate the resolution of complex problems and stimulate innovation.

"Work from home" compensation

To reduce the costs of working from home, Ethias granted an allowance in 2022.

Re- & Upskilling Competencies

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.

Onboarding

In 2022, the recruitment process happened more in person, even though video conference interviews also took place. 133 people were hired.

Internal promotion opportunities

Ethias' employees have the necessary tools to keep on growing and changing positions within the company. In 2022, there were 177 transfers.

MyLearning

Training plays an important role in the sustainable employment of the employees. 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 2022 and number of participants:

- 49 online courses (3.046 participants)
- 185 webinars (2.060 participants)
- 9 blended-learnings (62 participants)
- 9 coaching sessions (1.235 participants)
- 238 lectures (5.344 participants)

The ratio of distance learning to face-to-face training is shifting back to face-to-face. Colleagues need to meet each other, it is part of our culture and values.

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.

- Webinar: Gunnar Michielsen "communication web".
- Training: Prevention of aggression
- Assertiveness training

Ethias Young Talent Development Program

The Young Talents program, created in 2021, was relaunched in 2022. This one-year program brings together employees who will work in different areas, with the help of the universities of Hasselt and Liège but also internal experts, so that they can put together an innovative project for Ethias.

Leadership@Ethias

In 2022, we repeated the Leadership@Ethias program. This time, it was the field managers' turn. In preparation for the program, an assessment interview was held with each field manager to assess their specific needs. We put together a program based on that interview.

Sustainable Career

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 30
- **Mid-career**: +/- 40/45 years old, with 15 to 20 years experience
- **Late career:** +/- 55 years old

Senior Talent Program

Studies (RIZIV, Ethias) clearly show that the 55-59 age group is the most exposed to the risk of long-term absenteeism. The Senior Talent Program is designed for employees 55 years of age and is divided into 3 phases:

1. Personal Profile (personality and self-knowledge tests)
2. PIT STOP 55+ interview with HR
3. Individual support if necessary.

The goal is to allow employees aged 55 (with 12 working years remaining) to reflect on their professional situation and their expectations for the rest of their career.

In 2023, 142 employees will be affected (born in 1966, 1967 and 1968). Starting in 2024, this process will be offered to employees who turn 55 that year.

The entire project will be carried out in close collaboration with management (upstream and downstream). This will allow us to remain consistent with business expectations and to work with management in a forward-looking manner (succession plan, etc.)

End of career plan

With the growing life expectancy and improving employment rate in Belgium, governments have increased the retirement age.

To support our senior employees in this change, Ethias offers end-of-career packages.

It was a success: 80% of the 99 employees concerned subscribed to one of the packages:

- 60% opted for a gradual reduction in their benefits at the end of their career through the Relay Time scheme.
- 25% chose to take their early retirement as soon as possible via the Fast scheme.
- 15% would rather work until their legal retirement by reducing their benefits at the end of their career while doing a new activity but on a voluntary basis via the Transition scheme.

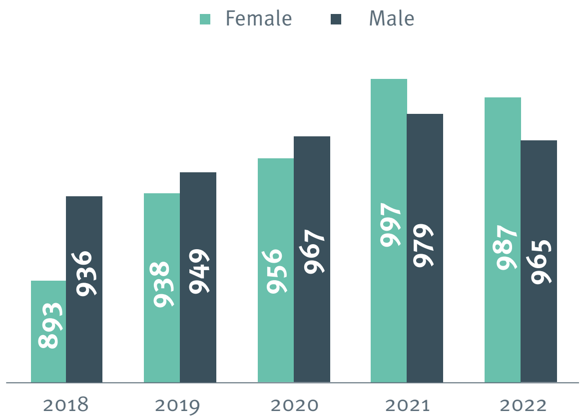
Diversity and inclusion

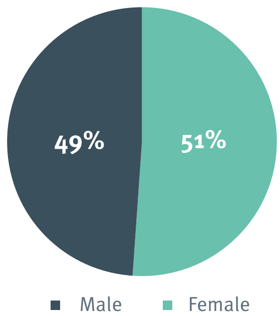
Diversity at Ethias is based on 4 pillars:

- **Gender** (male/female)
- **Age** (intergenerational dynamics)
- **Disability** (able-bodied/disabled)
- **Origin** (ethnic and cultural diversity)

Gender (male/female)

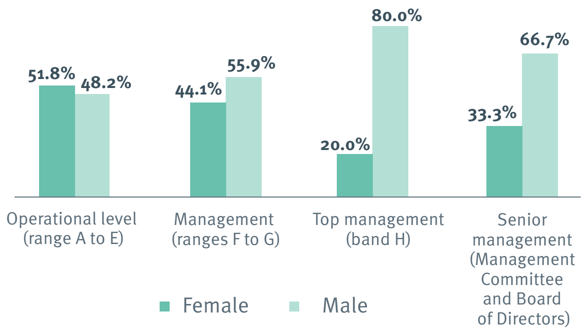
At 31 December 2022, the company had 1.952 employees (987 women and 965 men).





For our business to remain sustainable and strong, we need men and women working together to promote an inclusive corporate 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 organisations 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 2022



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 is an important pillar for Ethias. That is why the company wants to provide trainees with a valuable first experience. In return, they can provide valuable support to employees.

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, Ethias renewed this three-year partnership over 2021, 2022 and 2023.

In 2022, Ethias organized two YouthStart certifications in our offices, one in Hasselt and the other in Liège. As a reminder, YouthStart offers young people from disadvantaged backgrounds an 8-day training course, during which they can benefit from the help of a coach to develop a concrete project. At the end of the training, the participants present their projects to a jury composed of Ethias employees. Ethias supports YouthStart with €15.000 per year.

Disability (able-bodied/disabled)

Of 37 regional offices, 32 are **accessible to persons 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 disabled people:

- 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)

Ethias works on several mentoring projects. Ethias also finances the operations of this non-profit. Several colleagues act as mentors for job seekers 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.

In the Be.Face business network, companies pool their resources for the **inclusion of disadvantaged populations.**

Mentoring@work maximizes employment opportunities and integration into the labour market for foreign job seekers in Limburg. It broadens the support base in companies and contributes to greater expertise and social inclusion in society, through collaboration with volunteer mentors.

12 people (3 NL and 9 FR) participate in the mentoring process via Mentoring@work (NL) and BeFace (FR)

We are here for you: Ethias' new tagline fits perfectly into the initiative **" De Warmste Werkuren "** inspired by De Warmste Week! In 2022, De Warmste Week, which took place in Hasselt, focused on the fight against poverty. Ethias called on all employees and managed to put in 400 hours overtime for the good cause. Ethias raised €17.850.

Prevention of psychosocial risks

Disconnect to connect

Ethias values the well-being of 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.

Ethias launched our project on the right to disconnect in 2021. It was continued in 2022 with several communication campaigns **to raise awareness around the use of digital tools** and tips and tricks for working from home... Such campaigns also took place right before school breaks to raise awareness **to teach employees the best way to disconnect** (how to write the right automatic reply during leave).

We developed an e-learning available on our training platform with exercises and games related to disconnection for all colleagues. Ethias was **fully prepared for the publication of the right to disconnect** as part of the employment deal (implemented in 2023).

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.

In 2022, several hundred employees used the platform.

My Workplace Options

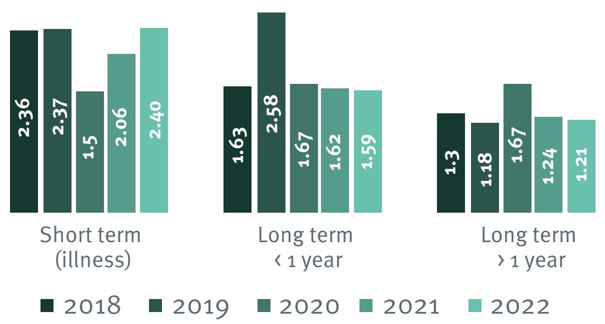
Since 2020 Ethias has been working with Workplace Options as an employee assistance program (EAP). Both colleagues and family members can receive free help and support in a variety of areas 24 hours a day, 7 days a week. They can get information, advice and/or support for issues that may affect their personal well-being or their work. These services and other resources available internally are highlighted all year long, for example on Mental Health Day.

Stronger absenteeism and reintegration management policy

In 2022, Ethias has further extended its policy by focusing on a preventive and proactive approach by informing and training management (through leadership journeys and awareness sessions with the support of the social unit and HRBP's). Ethias provides them with a series of tools to detect weak signals, to analyse the their department figures, to initiate a professional and warm dialogue with the staff and to become even more involved in the reintegration into the workplace.

Reintegration after long-term sickness: a (formal and informal) process was started with the support of trade unions, human resources management and counsellors. In 2022, 22 people received support from the formal process and 86 from the informal process.

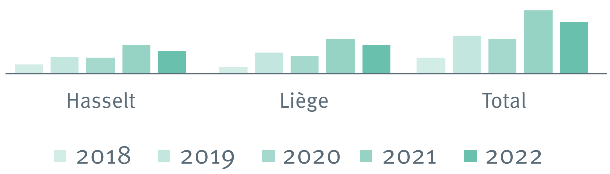
ABSENTEEISM RATE



Counsellors

Counsellors are part of the psychosocial unit. Their mission is broad, as they help employees with all issues related to violence, harassment or sexual harassment at work, but also stress, burn-out, conflicts, etc. Informal process aims at reintegrating colleagues after long-term absence.

IN 2022, 257 PEOPLE HAD AN APPOINTMENT WITH OUR COUNSELLORS
(142 IN LIÈGE AND 115 IN HASSELT)



Continuous training of counsellors: as part of the charter that Ethias signed with the CEASE network (network of companies committed to fighting domestic violence), counsellors were trained in the management of gender-based violence.

First aid team

There are 60 first aiders at Ethias: 39 in Liège and 21 in Hasselt

Blood donation

73 employees gave blood at a blood centre

After an interruption due to COVID, blood drives took place in the Croisiers office on **May 31, 2022**: 46 donors for 37 bags and on **October 4, 2022**: 64 donors for 50 bags

Flu vaccine

237 people got a free vaccine shot against influenza

Staff Association

The Employee association was founded in 1959 and has 7.500 members (active colleagues and retired staff, their partner and children). It is better known as the Amicale or Vriendenkring.

In 2022, the activities of the Amicale were mainly oriented towards cohesion activities between staff members and on-site recovery in a more structural way. Breakfasts and snacks were provided once in a while throughout the year.

Weekend activities took place. The Geocatching challenge brought together 30 families for several weeks. Events for drivers and pedestrians also gathered 175 participants.

The big annual events such as Saint-Nicolas and the Egg Hunt took place as usual.

Some of our volunteers also helped in 2022 with the renovation of the Middelkerke apartments. Each employee can rent one of the two apartments on the Belgian coast for an affordable price. Ethias rents a vacation cottage on the heights of Malmedy under the same conditions.

5.3.6 Ethias' impact on society

5.3.6.1 Ethias Impact Fund

In 2022, Ethias set up its Ethias Impact Fund, a corporate fund hosted within the King Baudouin Foundation.

The purpose of this fund is to be the armed wing of Ethias' Sustainability strategy on the social and societal side for a concrete, visible and measurable impact for society, through a structured philanthropic policy.

In addition to financial donations, the Fund's mission is to create a vast network of partnerships on the ground that can be used to launch any so-called "double impact" action for society. In this way, Ethias intends to be not only a provider of financial resources, but also of time and expertise.

The fund will primarily support projects or associations related to the themes of its sustainability strategy:

- Fight against child poverty
- Health and environment (including the protection of nature, biodiversity, animals...).

This support will be provided mainly through calls for projects, such as the Ethias Youth Solidarity Awards on the poverty front.

The Management Committee, appointed by the FRB Board of Directors for a three-year term, is composed of 5 persons: Bruno Vanobbergen as chairman, Françoise Pissart as representative of the King Baudouin Foundation and Lucie Dewert, Bénédicte Passagez, Alain Flas as representatives of Ethias.

Bruno Vanobbergen was chosen as president for his expertise in the fight against child poverty and his knowledge of the associative field as well as for his sharing of Ethias' human values.

5.3.6.2 Ethias Youth Solidarity Awards

With a budget of €450.000, Ethias supports CPASs in the 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 CPASs were invited to submit a project to fight poverty amongst young people. 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 CPAS 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.

Ethias Youth Solidarity Awards in figures:

- 130 CPASs responded to the call
- 102 projects were submitted
- 18 winners

"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 ou 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 medalist and ambassador of the Ethias Youth Solidarity Awards

5.3.6.3 Red Touch Challenge

In 2022, the Red Touch Challenge call for projects, organized by Ethias and the Red Cross Youth, was a great success with a total of 606 registrations and 20 projects.

Bénédicte Passagez, Head of Sustainability, was one of the members of the jury that **pre-selected 16 projects**. The 10 winning projects were chosen by public vote.

The winning projects tackle poverty, intergenerational and intercultural issues and mental health among youth. These projects can count on the methodological support of the Red Cross Youth and to the financial aid of €2.000 between February and June 2023.

5.3.6.4 Sponsoring & Partnerships

Ethias' sporting, cultural and societal partners share its values: human, commitment, client satisfaction and enthusiasm.

Ethias sponsors via financial contributions 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 organisations 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, CORE-festival, Francofolies de Spa, Graspop Metal Meeting, Gent Jazz, Festival Dranouter, Cactus festival, Trakasspa, Baudet'stival, 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.

Sports

Sport allows you to challenge yourself, to constantly push your limits, to ease tensions, to bring people together, to improve your well-being and to take care of your health. These are some of the reasons why Ethias partners with sports events and chose two inspiring Belgian sports ambassadors.

Sports events: Ethias Cross, UCI World Cup Cyclocross, Ethias Tour de Wallonie, Grand Prix de Wallonie, Exterioo Cycling Cup, Woman Race, Euromillions Cup finals volley, Mon Ventoux, Ethias Challenges, Count Me In, Start to Tennis, Start to Golf.

Sports federations: tennis, volleyball, 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).

Wout van Aert, known as one of the best cyclists in the world, has become a real national pride! Ethias is proud to count him among its brand ambassadors since 2022 and to share with him strong ambitions and human values such as solidarity.

Matthias Casse, Olympic bronze medallist, former World and European champion, is the Ethias ambassador since 2021. His dynamism, healthy lifestyle and ambition are fully in line with our values.

Social partnerships

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.

In 2022, Ethias donated 284 computers, 51 tablets, 160 monitors, 33 printers and 2 projectors. NRB donated 592 computers.

Pelicano Foundation

The Pelicano Foundation is committed to fighting child poverty in Belgium. Ethias employees can choose to donate money 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.

In the autumn of 2022, the bees in the hives of the Hasselt headquarters and the regional office in Alleur produced their delicious honey. Just like in 2021, 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 2023.

For its end-of-year greetings, Ethias invited people to join in the fight against child poverty.

This action brought in €11.330 for Pelicano

Association Sint-Vincentius Genk & Restos du cœur Seraing

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

- Akcess de Prométhéa asbl
- Belgian National Orchestra
- Asbl Article 27
- Belgian Red Cross
- Les Territoires de la Mémoire
- Creccide asbl

Ethias also set up **prevention campaigns** by supporting, among others, **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 interdisciplinary 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.

5.4. Sustainable investments

Sustainability at the heart of our investments

5.4.1 General approach

By taking ESG factors into account in its investment decisions, Ethias seeks to make a positive contribution to the main societal and environmental challenges of today. 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.

As the latest reports of the Intergovernmental Panel on Climate Change (IPCC) and the discussions at the last COP27 have shown, climate change and its impacts are increasingly tangible. It is urgent to act to limit these impacts while creating the conditions for a just transition based on strong governance.

In 2022, Ethias pursued the path initiated in previous years, while also taking new initiatives. In this respect, two initiatives perfectly illustrate our approach.

5.4.1.1 Impact Finance Belgium

The idea of the Impact Finance Belgium Institute was born in 2022 with the aim of increasing the share of impact investment oriented capital in Belgium. Upon the launch of this association, the first Belgian Impact Day took place on November 30, 2022. Ethias supported this day which was a great success with several hundred participants gathered around this theme dear to the company.

5.4.1.2 Climate Fresk

Ethias is convinced that in order to act on climate change, we must understand it. This is exactly the purpose of the Climate Fresk workshop. This collaborative workshop helps you to get a quick grasp of the climate change challenge. The Ethias Asset Management department took part in the first workshop in June 2022.

5.4.2 Integration into investment governance

The inclusion of sustainability criteria in the investment policy is aligned with Ethias' corporate strategy. It is based on strong policies and concrete commitments that will adapt to ensure that the investment analysis goes beyond risk-return. 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 Committe gathered regularly in 2022 to implement this policy based on two elements: ESG incorporation and active shareholding.

5.4.2.1 Integrating ESG criteria into our investment processes

Direct management

Ethias integrates ESG analysis into its investment processes and promotes sustainable and responsible investments in its selection process.

The use of external ESG data as well as the **ESG research partnership with HEC - U Liège** are important sources used for investment decisions.

Delegated management

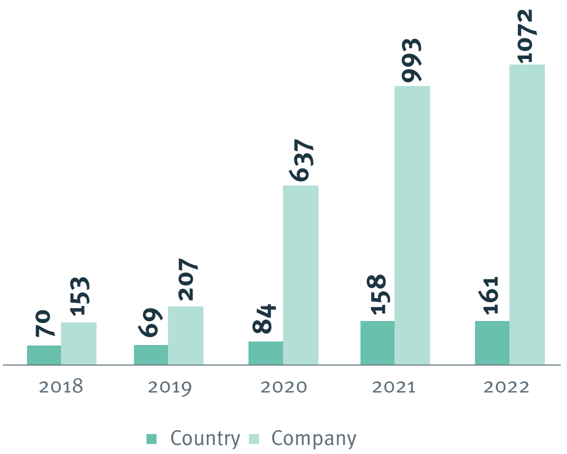
Ethias also places a high priority on working with managers who are **signatories to the United Nations Principles for Responsible Investment (UN PRI).** In addition to this requirement, Ethias uses sustainable investment criteria in its management mandates.

5.4.2.2 Our exclusion policy

Since 2021, Ethias made exclusion criteria stricter, at least in line with the requirements of the Towards Sustainability label

In addition to incorporating ESG criteria into its investments, Ethias is continuously strengthening its exclusion policy. Created in 2005, this policy is based, since 2021, 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.

CHANGE IN THE NUMBER OF ISSUERS EXCLUDED FROM ETHIAS' INVESTMENT SCOPE



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.

5.4.2.3 Our normative approach

For many years, Ethias has been 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.

5.4.2.4 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 pursues a voting policy and an engagement policy.

With regard to the implementation of its **voting policy** in 2022, Ethias participated in the Ordinary General Meeting of Montea on 17 May 2022, a company in which Ethias holds over 1% of the share capital. Ethias voted in favour of all the proposed resolutions with the exception of resolutions 6, 7, 11 and 16 (concerning issues related to remuneration policy), for which Ethias abstained.

As part of its **commitment policy,** in 2022, Ethias kept on working on the three collaborative initiatives it joined in 2021, but not exclusively.

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.

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+.

https://www.climateaction100.org

Science Based Targets Initiative (SBTi)

In line with the commitment made in 2021 when joining BACA, Ethias joined SBTi in 2022. This strong commitment aims to file and have validated by an independent body (within a maximum of 2 years), a plan containing intermediate decarbonization targets (based on recognized scientific methods) in order to achieve carbon neutrality in line with the objectives of the Paris Climate Agreement.

https://sciencebasedtargets.org

5.4.3 Our investment portfolio

Ethias is progressively orienting its investments towards sustainable economic development by integrating environmental and social factors into its decisions. All assets managed by Ethias are potentially eligible for ESG criteria, whether they are invested directly by the internal management team or through external mandates or funds. Our approach is progressive and pragmatic, considering that the integration of ESG criteria in our management requires time and maturity.

In relation to our total assets under management, a large majority of investments are analysed. However, the depth of data available varies greatly depending on the type of investment. In relation to the €16.5 billion of assets under management, including unit-linked contracts, Ethias has ESG data in relation to €11.6 billion. The breakdown of these assets according to the data used to analyse them is shown below.

in million Euros	Eligible outstanding amounts for which data is available			Eligible outstanding amounts for which data is lacking	Non-eligible outstanding amounts
	Outstanding amounts covered by MSCI	Investment fund-related data	Data related to the place-based repositories		
Shares	0	0	0	420	0
Equities	341	807	0	212	0
Government bonds and similar	5,755	113	157	1,365	0
Corporate bonds	2,329	755	157	1,147	0
Investment properties	287	42	165	376	0
Mortgage loans	0	116	0	422	0
Alternative investments	58	330	90	308	0
Derivative instruments	0	0	0	0	134
Cash and cash equivalents	0	119	0	0	539
Total	**8,771**	**2,281**	**569**	**4,250**	**673**
Percentage	**53%**	**14%**	**3%**	**26%**	**4%**

The scope of outstanding amounts analysed mainly concerns sovereign and private issuers for which Ethias has sufficient data. To this end, Ethias uses the services of the extra-financial rating agency MSCI to obtain qualitative and quantitative data on the issuers invested in its portfolio. MSCI uses a rating scale that assesses these issuers on a scale ranging from 0 (worst company in its sector) to 10 (best company in its sector)[2].

Other data sources are sometimes used depending on the asset class or issuer analysed. The assessment of ESG criteria on investments is gaining in maturity, but the associated data still lacks reliability and is often difficult to compare. Lacking or unreliable data is hard to measure and analyse.

Most investment funds are required to provide Ethias with a set of quantitative and qualitative data on the ESG indicators of the investments made in their funds. We rely primarily on this data to analyse the funds involved. This includes understanding how managers approach the SFDR regulation.

Finally, for certain asset classes, we rely on external certifications or frameworks whose goal is to demonstrate the sustainable and responsible nature of the investments concerned. These include energy performance certifications for our investment properties or green, social or sustainable bond issues.

2 MSCI's overall ESG rating is calculated for each issuer as a weighted sum of its three independent scores, with a weighting depending on the issuer's industry. The calculated score is then adjusted for each issuer, qualitatively, according to the sector's peers. This rating is then weighted at the level of the Ethias portfolio according to the fair value of the outstanding amounts at the closing date.

5.4.4 Main achievements

5.4.4.1 Scope of private issuers

The scope of analysis of private issuers covers both Ethias' investments in shares and corporate bonds. Within this scope, the percentage of outstanding amounts for which we have MSCI data is 54%. **At the end of 2022, the average rating of these corporate issuers covered by MSCI is 7.3/10, equivalent to an extra-financial rating of AA.** This good performance can be explained by the fact that Ethias, thanks to its policy excluding activities linked to fossil fuels, invests to a limited extent in sectors where environmental risk is more heavily weighted than social or governance criteria. The percentage of coverage (54% of the scope of analysis) is explained by 17% of the scope of analysis being "not quoted" including participations such as NRB or NEB or loans.

As regards the scope of issuers not covered by MSCI, Ethias has continued to invest in companies and projects that contribute to an environmental and/or societal goal. These private investments are made in both shares and debt.

Through investments that contribute to an environmental goal

Ethias invests in the transition towards a low-carbon economy.

Over the past few years until recently, Ethias has increased its investments in the renewable energy sectors supporting the energy transition. This transition was made for example:

- Indirectly through investments in funds specializing in infrastructure assets dedicated to energy or the purchase of listed shares
- Directly through the financing or participation in the capital of companies or financing vehicles. For instance,
    - Third-party investment in photovoltaic, cogeneration, electric charging stations
    - **Green4You:** capital and financing of a joint venture with Luminus, as developer
    - **Geen4Power:** financing for a vehicle developed by Perpetum, as developer
    - **PCRE** (Power Capital Renewable Energy) which aims to install 1.2 Gw in Ireland with leading users such as Microsoft
    - **Storm Holding:** injection of capital in a holding company aiming at the development of on-shore wind energy in Belgium
    - **Fluxys Group:** participation in a major player in green hydrogen and CO_2 transport

In addition to these investments in assets directly related to energy, we also include this in our direct investments. A few examples:

- **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.

A low-carbon society is also a society that promotes soft mobility. Ethias supports this sector through its investments in debt issued by Infrabel or Deutsche Bahn or private debt funds in infrastructure in this sector (electrified transport).

Finally, Ethias aims to integrate investments in favour of biodiversity. In this context, Ethias participates in financing the growth of Biobest, based Flanders and global player in the biological crop protection and pollination market.

Through investments with added value for society

Ethias invests in socially-oriented structures

In line with its sustainable development goals, Ethias plays an active role in Belgium by supporting societal initiatives. We are particularly involved in the health sector through the financing of hospitals and nursing homes.

We also financ**e scientific research** through different types of investments such as the Qbic Feeder Fund, ICC UGent, ICAB VUB or Gimv Health & Care Fund. In 2022, we supported the I Keep It Cool project, which aims to develop a refrigerated vaccine transport solution. This need emerged during COVID, but is also very present in Africa.

Through financial participations in various fields that are important **for strengthening solidarity**: social loan companies, housing companies, microfinance organisations, social economy funds, support for various associations and alternative finance organisations or impact funds.

In 2022, for example, we invested in the **SDG Frontier Fund,** which was created at the initiative of BIO, the Belgian investment company for developing countries**.** The fund aims to support sustainable economic growth in emerging markets in Africa and Asia.

Again, through investments in infrastructure that benefit the greatest number of people and promote integration but also foster economic development. This is the case of the optical fiber with an awareness of its usefulness during the pandemic to maintain contacts but also to promote remote work. Ethias takes a significant capital and financial stake in **GoFiber in the form of a PPP - Public Private Partnership**, an open fiber optic network developed with with Proximus and the German-speaking community. This will allow a whole region to be connected while it suffers from many dead zones.

5.4.4.2 Scope of sovereign issuers

This scope of analysis covers bonds issued by states and regions. Within this scope, the percentage of outstanding amounts for which we have MSCI data is 85 %. **In 2022, the average rating of sovereign issuers is 5.9/10, equivalent to an extra-financial rating of A.** The average rating of Ethias' sovereign issuers is aligned with that of Belgium: A. This rating of Belgium is explained by a low E-score (due to a risky management of energy and water resources), which does not prevent Belgium from being positioned in the first quartile according to the rating distribution of countries in the same region as Belgium according to MSCI (i.e. the region "Europe and Central Asia").

5.4.4.3 Scope of investment funds

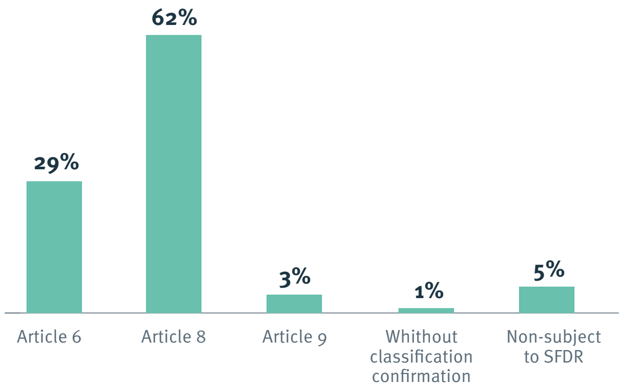
Sustainability criteria are an integral part of the selection process for funds invested or produced by Ethias. These investment funds account for 14% of outstanding amounts.

Our selection process for external managers and their investment funds includes an analysis of the consistency of their ESG policy, the quality of their teams, the quality of their reporting, their track record on these strategies, as well as their local initiatives or commitments. On this point, for example, being a signatory of the UN PRI is a prerequisite.

For internal investment funds, ESG assessment is carried out through transparency, which makes it possible to reconstitute each fund line held and to analyse the issuer.

Moreover, the entry into force of the European SFDR (*Sustainable Finance Disclosure Regulation)* has accelerated the exchange of information between external fund managers and Ethias. Managers must communicate transparently on the inclusion of ESG criteria in their investment process. In this context, most of them have informed us and explained the classification of their fund in article 6, 8 or 9 according to the degree of consideration of sustainability factors. These classifications are currently being assessed by Ethias, in particular through an analysis of the criteria used by managers to classify their assets as sustainable investments within the SFDR. As of 12/31/2022, based on its internal analysis, Ethias has reclassified 332 million funds from Article 9 to Article 8.

The breakdown of funds invested by Ethias – 14% of assets under management –; according to the SFDR classification is as follows



In million euros, in market value	Investment funds
Article 6	699
Article 8	1,498
Article 9	84
Without confirmation of classification	16
Not subject to SFDR	132
TOTAL	**2,430**

Non-listed asset funds such as private debt or private equity also allow us to deploy investments with an ESG angle even more directly. We can mention in particular

- Private debt with ESG ratchets such as Eiffel Impact Debt: this strategy grants loans to companies whose level of remuneration is dependent on ESG indicators that generate a penalty or a bonus.
- Infrastructure in both debt and equity: this strategy finances projects related to soft mobility, green energy assets, assets with a social angle such as access to fiber optics or personal care services.

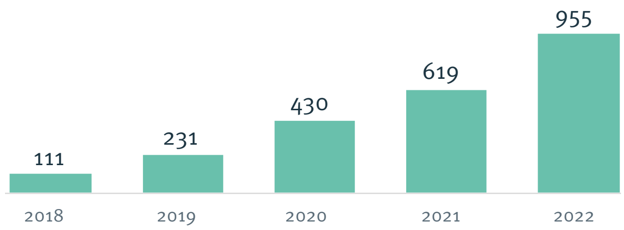
Ethias is constantly increasing the proportion of its investments in these economically relevant strategies, with a focus that is strongly linked to our ESG goals.

5.4.4.4 Scope of green, social, sustainable or ESG performance bonds

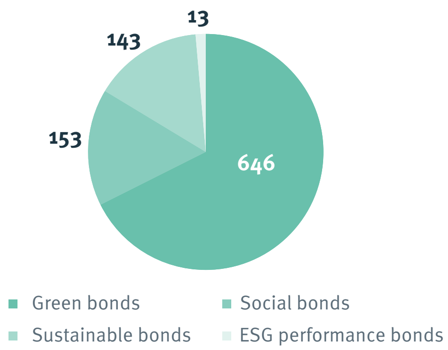
Sustainability Bonds, Green Bonds and Social Bonds are issued for the purpose of financing one or more existing projects in development or new projects that can be identified and qualified as "sustainable". Bonds linked to ESG performance are assets whose characteristics (such as coupon) are linked to ESG performance.

In 2022, Ethias continued to invest in such bonds, so that this investments portfolio reached an amount of €955 million at the end of the year. This represents an increase of 54% compared to 2021 and 122% compared to 2020:

INVESTMENTS IN GREEN, SOCIAL, SUSTAINABLE OR ESG PERFORMANCE BONDS IN MILLION EUROS



ALLOCATION OF 955 MILLION IN GREEN, SOCIAL, SUSTAINABLE OR ESG PERFORMANCE BONDS (2022)



Of particular note are the first two "Bonds linked to ESG performance", i.e. a loan granted to Officenter where there is a possibility of coupon rebate depending on the operational activity of the solar panels of the office buildings owned by Officenter, as well as a SNAM bond with ESG covenants and which has a step-up coupon if they are not respected.

5.4.4.5 Scope of direct and indirect investments in passive and sustainable real estate

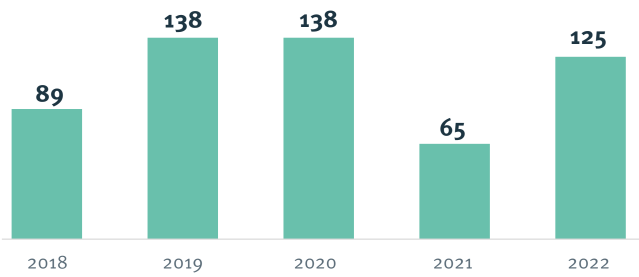
While paying particular attention to meeting the most demanding ESG criteria, Ethias was very active in the real estate market in 2022, both in direct and indirect investments.

In direct investments, Ethias won the tender of the ULiège to build (in partnership with Moury and Quares) nearly 600 student housing units in the Sart-Tilman. 190 units will be at a reduced rate (close to the social rate) in order to make them affordable for more financially disadvantaged students. Ethias has also committed to acquire the first carbon-neutral office building in Brussels, which will house the headquarters of CFE and Capitalatwork by the beginning of next year and on the long term.

In indirect real estate investments, Ethias has taken stakes in various funds for which meeting ESG standards is a must. Ethias has chosen to diversify its holdings in order to cover different asset classes throughout Belgium:

- **Vicinity** 's goal is to provide flexible and affordable residential units for middle class people. The fund pays equal attention to environmental (building techniques that reduce energy consumption), social (creating intergenerational communities of residents) and financial (controlling energy costs) impacts.
- **Revive**, whose goal is to revive former industrial wastelands and abandoned land in city centres to make them the green urban centres of tomorrow.
- **Zabrixx**, whose goal is the redevelopment and decontamination of former industrial sites in order to turn them into residential buildings or care units.
- **Canius**, whose goal is to reduce social inequalities in terms of access to property while offering new low-energy housing.
- **Eiffage**, whose goal is to acquire land in order to develop residential projects that can accommodate the eco-districts of the future.
- Offices with Cityforward, whose goal is to acquire dilapidated buildings in urban centres in order to transform them and thus improve their carbon footprint.

INVESTMENTS MADE EACH YEAR IN OFFICE & LOGISTICS BUILDINGS WITH A RECOGNIZED CERTIFICATE ON THE REAL ESTATE MARKET, IN VALUE OF BUILDING (IN MILLION EUROS)



5.4.5 Responsible investment products in life insurance contracts

Ethias offers a range of sustainable investment products linked to life insurance policies for individuals, companies and local authorities.

5.4.5.1 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 is certified **Ethibel Excellence** (confirmed in 2022). 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 give back all or part of their yield to the association of their choice.

Through **customized life insurance products**, some of which incorporate very strict ESG criteria, including a decarbonization path for the investment portfolio under management.

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.

5.4.5.2 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 (Towards Sustainability label confirmed in 2022).

5.4.6 Investments in the Belgian economy

As a Belgian institutional investor with close ties to local, regional and federal governments and as the leading insurer of local public entities, Ethias allocates a significant part of its investments to the economic support of all public actors in the country.

The investments are diversified across local, regional and federal actors, as well as across asset classes. Investing in the Belgian economy, which has been affected by successive crises, and enabling economic players to recover and develop in a sustainable manner is clearly part of our strategy of investment and local and responsible development. Ethias invests €5.2 billion (out of €14.9 billion of assets under management, excluding unit-linked contracts) in the Belgian economy.

in million Euros	Fair value of investments in the Belgian economic fabric as at 31/12/2022	Fair value of investments in the Belgian economic fabric as at 31/12/2021
Shares	418	398
Equities	412	536
Government bonds	2,176	3,230
Corporate bonds	323	426
Investment properties	827	681
Mortgage loans	263	265
Alternative investments	402	304
Cash and cash equivalents	348	287
Total	**5,168**	**6,125**

In 2022, Ethias was very active on the Belgian private equity market, both in real estate and in alternative investments. Despite its small team, Ethias is now recognized in the market as a player that can meet the financing needs of infrastructure, real estate and PPP projects in Belgium. The share of investments in the Belgian economy has increased mainly through investments in alternative investments and real estate. The decrease in government and corporate bonds is mainly due to the effect of rising interest rates on the market value of these bonds.

Among the alternative investments, Ethias has made €80 million available at the end of 2021 alongside the Belgian regions and state to boost the economy. Indeed, Ethias has invested in the 4 recovery plans, namely the Belgian Recovery Fund for the Federal Government, the Welvaartsfonds for Flanders, the AMERIGO fund for Wallonia and Boosting. Brussels for Brussels. As a Belgian player and responsible investor, Ethias supports these economic recovery plans and invests in the funds created to help companies. These funds take into account ESG criteria (Environment, Social & Governance) in their interventions, which are also fundamental criteria for Ethias.

In addition to these funds, Ethias provides financial support to several different **regional investment bodies**, to directly support local or smaller companies or those in the start-up phase. In the same logic, we are invested in the Private Equity **fund "Belgian Growth Fund"** which aims to support growing Belgian companies by selecting specialized funds.

5.5. EU Taxonomy

5.5.1 Non-life underwriting activities eligible for the European taxonomy

As of 31/12/2022, 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 2022 accounting year include a climate change coverage component as set out in article 10.1 of the Taxonomy Complementary Climate Delegated Act. To determine the amount of cash received from these activities, Ethias has selected insurance premiums from the following accounting categories: " Fire and other damage ", " Marine aviation and transport " and " Motor other ".

The “Fire and other damages” branch includes the income of fire and all risks.

The “Marine aviation and transport” branch includes the income of transport coverages.

The “Motor other” branch includes the income of motor insurance, excluding civil liability.

Taking into account the selection criteria mentioned above, Ethias' non-life underwriting activities eligible for the European taxonomy amount, at the end of 2022, to:

Insurance lines under Solvency II categories	Premiums collected on the basis of premiums written in 2022
Fire and other damage	€271,806,679.31
Marine, aviation and transport insurance	€285,479.55
Motor other	€195,953,697.31
Total	€468,045,856.17
Total Income Non Life	€1,491,995,636.37
% taxonomy eligibility	31.37%

In 2022, based on the 2021 income, the taxonomy-eligible portion was 13.94%. The difference with 2023, based on the 2022 income, is twofold:

- Ethias SA's Non-Life premium income is growing.
- In the previous year, we only took into account the portion of premiums related to the CATNAT coverage.

5.5.2 Investments eligible for the European taxonomy

The proportion of the insurance or reinsurance undertaking's investments that are directed at funding, or are associated with, Taxonomy-aligned in relation to total investments			
The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities **relative to the value of total assets covered by the KPI**, with following weights for investments in undertakings per below:		The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below:	
Turnover-based:	2.14 %	Turnover-based:	€211,276,480.96
Capital expenditures-based:	/	Capital expenditures-based:	/
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM) Excluding investments in sovereign entities.		The monetary value of assets covered by the KPI. Excluding investments in sovereign entities.	
Coverage:	59.56 %	Coverage:	€9,852,691,827.40

Additional, complementary disclosures: breakdown of **denominator** of the KPI			
The percentage of derivatives relative to total assets covered by the KPI.		The percentage of derivatives relative to total assets covered by the KPI.	
1.36 %		€133,773,559.23	
The proportion of **exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of **exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU**: For non-financial undertakings:	
For non-financial undertakings:	60.48 %	For non-financial undertakings:	€5,958,601,869.55
For financial undertakings:	0.00 %	For financial undertakings:	€0.00
The proportion of **exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of **exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU**:	
For non-financial undertakings:	8.70 %	For non-financial undertakings:	€856,851,610.88
For financial undertakings:	0,00 %	For financial undertakings:	€0,00
The **proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of **exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU**:	
For non-financial undertakings:	17.34 %	For non-financial undertakings:	€1,708,475,165.72
For financial undertakings:	5.57 %	For financial undertakings:	€548,654,695.73
The **proportion of exposures to other counterparties** over total assets covered by the KPI:		Value of **exposures to other counterparties**:	
6.56%		€646,334,926.29	
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities:		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities:	
0.13%		€13,247,088.57	
The value of all the investments that are funding economic activities that are not Taxonomy-eligible relative to the value of total assets covered by the KPI:		Value of all the investments that are funding economic activities that are not Taxonomy-eligible:	
85.87 %		€8,460,077,401.57	
The value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned relative to the value of total assets covered by the KPI:		Value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned:	
12.00 %		€1,182,433,194.24	

Additional, complementary disclosures: **breakdown** of numerator of the KPI			
The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings:		**For non-financial undertakings:**	
Turnover-based:	1.62%	Turnover-based:	€159,852,135.13
Capital expenditures-based:	/	Capital expenditures-based:	/
For financial undertakings:		**For financial undertakings:**	
Turnover-based:	0,00%	Turnover-based:	€0.00
Capital expenditures-based:	/	Capital expenditures-based:	/
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned:		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned:	
Turnover-based:	0.03%	Turnover-based:	€3,006,061.23
Capital expenditures-based:	/	Capital expenditures-based:	/
The proportion of Taxonomy-aligned exposures to other counterparties in over total assets covered by the KPI: Turnover-based:		Value of Taxonomy-aligned exposures to other counterparties over total assets covered by the KPI:	
Turnover-based:	0.52%	Turnover-based:	€51,424,345.83
Capital expenditures-based:	/	Capital expenditures-based:	/

Breakdown of the numerator of the KPI per environmental objective				
Taxonomy-aligned activities – provided 'do-not-significant-harm'(DNSH) and social safeguards positive assessment:				
(1) Climate change mitigation	Turnover:	1.87%	**Transitional activities:**	
			Turnover:	/
			CapEx:	/
	CapEx:	/	**Enabling activities:**	
			Turnover:	/
			CapEx:	/
(2) Climate change adaptation	Turnover:	0.06%	**Adapted activities:**	
			Turnover:	/
			CapEx:	/
	CapEx:	/	**Enabling activities:**	
			Turnover:	/
			CapEx:	/
(3) The sustainable use and protection of water and marine resources				
(4) The transition to a circular economy				
(5) Pollution prevention and control				
(6) The protection and restoration of biodiversity and ecosystems				

5.6. Partnerships and memberships

5.6.1 Entry into the United Nations Global Compact

In 2022, Ethias renewed its membership to the UN 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	• Human impacts for our employees • Ethias' impacts on society • Joint Ethics Committee • Integrity policy • Social Ethical Code • Sustainable investment policies • UN PRI / UN PSI
Make sure that they are not complicit in human rights abuses	• Sustainable and responsible procurement policy • Sustainable investment policies • UN PRI / UN PSI
Uphold the freedom of association and the effective recognition of the right to collective bargaining;	• Social governance (social code of ethics) • UN PRI / UN PSI
Contribute to the elimination of all forms of forced or compulsory labour	• Sustainable and responsible procurement policy • UN PRI / UN PSI
Contribute to the effective abolition of child labour	• Sustainable and responsible procurement policy • UN PRI / UN PSI
Contribute to the elimination of discrimination in respect of employment and occupation.	• Diversity Charter • "Women in Finance" charter • Talent Management policies (young talents, senior talents)
Support a precautionary approach to environmental challenges	• Change Over (towards carbon neutrality) and carbon offset projects • Sustainable investment policies • UN PRI / UN PSI / PBAF / Climate Action 100+ / BACA / SBTi / Natuurpunt Partnership
Take initiatives to promote greater environmental responsibility	• Change Over (towards carbon neutrality) and carbon offset projects • CO2 emissions balance • Actions in favour of multimodal mobility • SBTi • UN PRI / UN PSI
Encourage the development and diffusion of environmentally friendly technologies	• Responsible suppliers • Strategic choices of renovation • SBTi • UN PRI / UN PSI
Work against corruption in all its forms, including extortion and bribery	• Integrity policy and whistle blowing procedure • Sustainable investment policies • UN PRI / UN PSI

References
• See chapter “human impacts” (p.25) • See chapter “Ethias’ impact on society” (p.31) • See chapter “Ethias’ history of sustainability” (p.19) • See chapter “our policies, charters and codes” (p.22) • See chapter “Ethias’ history of sustainability” (p.19) • See chapter “Integrating ESG criteria into our investment processes” (p.33) • See chapter “Integrating ESG criteria into our investment processes” (p.33)
• See chapter “suppliers and responsible purchasing” (p.25) • See chapter “Integrating ESG criteria into our investment processes” (p.33) • See chapter “Integrating ESG criteria into our investment processes” (p.33)
• See chapter “our policies, charters and codes” (p.22) • See chapter “Integrating ESG criteria into our investment processes” (p.33)
• See chapter “suppliers and responsible purchasing” (p.25) • See chapter “Integrating ESG criteria into our investment processes” (p.33)
• See chapter “suppliers and responsible purchasing” (p.25) • See chapter “Integrating ESG criteria into our investment processes” (p.33)
• See chapter “our policies, charters and codes” (p.22) • See chapter on “diversity and inclusion” - “gender (male/female)” (p.28) • See chapter “HR strategy” - “re- and upskilling competencies” - “sustainable career” - “diversity and inclusion” (p.26-28)
• see chapter “environmental impacts” - “Change Over : towards carbon neutrality!” (p.23) • See chapter “Integrating ESG criteria into our investment processes” (p.33) • See chapter “Ethias as an active shareholder (p.34)
• see chapter “environmental impacts” - “Change Over : towards carbon neutrality!” (p.23) • See chapter “carbon balance 2022” (p.23) • See chapters “an increasingly sustainable product range” - “mobility” (p.9-10) and “a mobility policy for employees” (p.23-24) • “Integrating ESG criteria into our investment processes” - Ethias as an active shareholder” (p.34) • See chapter “Integrating ESG criteria into our investment processes” (p.33)
• See chapter “suppliers and responsible purchasing” (p.25) • see chapter “building management” (p.24) • See chapter “Integrating ESG criteria into our investment processes” - Ethias as an active shareholder” (p.34) • See chapter “Integrating ESG criteria into our investment processes” (p.33)
• See chapter “our policies, charters and codes” (p.22) • See chapter “Integrating ESG criteria into our investment processes” (p.33) • See chapter “Integrating ESG criteria into our investment processes” (p.33)

5.7. SDG framework

Each of the 6 Sustainable Development Goals has been detailed by targets or sub-goals (169 in total) defining the priorities to be achieved

Related SDGs	Targets and sub-goals
1 END POVERTY	**End poverty in all its forms everywhere**
	To eradicate extreme poverty worldwide
	Ensure that all men and women, especially the poor and vulnerable, have equal rights to economic resources and access to basic services, land ownership, control over land and other forms of property, inheritance, natural resources, and new technologies and financial services appropriate to their needs, including microfinance
	Build the resilience of the poor and vulnerable and reduce their exposure to and vulnerability to extreme weather events and other economic, social and environmental shocks and disasters
	Implement sustainable national, regional and international policy frameworks based on pro-poor and gender-sensitive development strategies to accelerate investment in poverty eradication measures
3 HEALTHY LIVES AND WELL-BEING	**Ensure healthy lives and promote well-being for all at all ages**
	Promoting mental health and well-being
	Reduce by half the number of road traffic deaths and injuries worldwide
	Ensure that everyone has universal health coverage, including financial risk protection and access to quality essential health services and safe, effective, quality and affordable essential medicines and vaccines
11 SUSTAINABLE CITIES AND HUMAN SETTLEMENTS	**Make cities and human settlements inclusive, safe, resilient and sustainable**
	Ensure access to adequate, safe, and affordable housing and basic services for all, and clean up slum areas
	To significantly reduce the number of casualties and people affected by disasters, including water-related disasters, and to significantly reduce the amount of economic loss that is directly attributable to such disasters as a proportion of global gross domestic product, with an emphasis on protecting the poor and vulnerable
	Ensure access for all to safe, accessible and sustainable transport systems at an affordable cost by improving road safety, including the development of public transport, with particular attention to the needs of the vulnerable, women, children, the disabled and the elderly
	Promote positive economic, social and environmental linkages between urban, suburban and rural areas by strengthening development planning at the national and regional levels.

by 2030. Fully integrated into Ethias' Sustainability strategy, they serve as a framework for our actions and commitments.

Actions and commitments	References
• Pelicano • Red Touch Challenge (poverty) • Warmste Week	• Social Partnerships (p. 32) • Ethias' impact on society (p. 31) • Diversity and Inclusion (p. 28-29)
• Ethias Youth Solidarity Awards • Social housing agencies Whestia • Land ownership: partnership with the housing fund for large families in Wallonia and Vlaams Huurdersplatform in Flanders • Partnership with YouthStart	• Ethias' impact on society (p. 31) • Partnerships (p. 9-10) • Partnerships (p. 9) • Partnerships (p. 10) • Diversity and Inclusion (p. 28-29)
• Prevention and compensation • Integration of climate risks in our products and activities	• A range of sustainability services - Prevention - UrbanData (p.12) • Compensation for natural disasters: a top priority (p. 8) • Emerging/climate risks (p. 68-69)
• Ethias Impact Fund (particularly in its "fight against child poverty" component)	• Ethias' impact on society (p.31)
• Well Being policy and Top Employer certification for the 2nd consecutive year • Ethias Services 'Beyond Insurance' (psychological support, managing psychosocial risks, skill management ...) • Red Touch Challenge (youth mental health)	• Human impacts - HR strategy (p.26-28) • Beyond Insurance: Ethias' services (p. 11-12) • Ethias' impact on society (p.31)
• Prevention campaign • Ethias Services "Beyond Insurance"	• Partnership with Exia (p. 12)
• Healthcare product range (Hospi Quality, Garanti Servi+ for Hospi Quality+ and Hospi Next+ products through a partnership with the collaborative economy platform Ring Twice)	• An increasingly sustainable product range - Health (p. 9)
• Social housing agencies • Land ownership: partnership with the housing fund for large families in Wallonia and Vlaams Huurdersplatform in Flanders • Whestia	• Partnerships (p. 9-10) • Partnerships (p. 10) • Partnerships (p. 9)
• Prevention • Compensation via CatNat covers	• A range of sustainability services - Prevention - UrbanData (p.12) • Compensation for natural disasters: a top priority (p. 8)
• Our mobility product range (Ethias Young Drivers, Bike & More, Mobility Pack, collaboration with Blue Bike for bike sharing, Mobility & More insurance)	• An increasingly sustainable product range (p. 9-10)
• Partnership with the collaborative economy platform Ring Twice	• An increasingly sustainable product range (p. 9)

12 SUSTAINABLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns

Significantly reduce waste generation through prevention, reduction, recycling and reuse

Promote sustainable procurement practices in accordance with national policies and priorities

Ensure that all people, everywhere in the world, have the information and knowledge necessary for sustainable development and a lifestyle in harmony with nature

Rationalize wasteful fossil fuel subsidies, eliminating market distortions, as appropriate to the national context, including through fiscal restructuring and the phasing out of harmful subsidies, to reflect their environmental impact, taking full account of the specific needs and circumstances of developing countries and minimizing potential adverse effects on their development while protecting the poor and affected communities

13 URGENT ACTION TO COMBAT CLIMATE CHANGE

Take urgent action to combat climate change

Incorporate climate change measures into national policies, strategies and planning

Improve education, awareness, and individual and institutional capacity for climate change adaptation, mitigation and impact reduction, and early warning systems

17 PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

Structural issues Multi-stakeholder partnerships:
Encourage and promote public, public-private, and civil society partnerships, building on past experience and funding strategies

Finance:
Use additional financial resources from various sources for developing countries

• Zero Plastic Project • Partnership with A Smart World (as part of the ReGeneration Movement) and DigitalforYouth • Ordering of 90% certified recycled consumables (cradle to cradle) • Donation of offices and furniture to charities and schools • Signature of the Green Deal charter - sustainable canteens	• 10 essentials (p. 20) • Every Day Is An Impact Day: Sustainability at the heart of Ethias (p. 21) • Cross-company and participatory approach to sustainability (p. 21) • Green IT (p. 24) • Waste reduction - other consumables (p. 25) • Suppliers and responsible purchasing - Staff restaurant (p. 25)
• Responsible procurement policy • Revision of the supplier/procurement charter and grid for calls for tender • Integration of ESG criteria in the selection of suppliers	• Suppliers and responsible purchasing (p. 25)
• Internal and external awareness actions • Partnership with the Coopérative Ardente (for employees, as part of the ReGeneration Movement	• Cross-company and participatory approach to sustainability (p. 21)
• Review of investment policies (PIDR, exclusion and Towards Sustainability label, commitments) • Integration of ESG criteria in asset classes	• Sustainable investments - Our exclusion policy (p. 34) • Our investment portfolio (p. 35) • Investments in the Belgian economy (p. 39)
• Change Over • Building management (closed Mondays) + new fleet policy (electrification) • A range of sustainability-related services (energy, air quality) • CO_2 neutral company label • Our home insurance automatically covers green installations (solar panels, photovoltaic panels, heat pumps, etc.) • We offer a range of products and tariffs that encourage green and/or soft mobility	• Change Over: towards carbon neutrality! (p. 23) • Building management - Mobility – Fleet electrification (p. 24-25) • Beyond Insurance : Ethias' services - A range of sustainability services (p. 11) • Change Over: towards carbon neutrality! (p. 23) • An increasingly sustainable product range - Housing (p. 9) • An increasingly sustainable product range - Mobility (p. 10-11)
• Internal awareness • Climate fresk for Sustainability, Communication and Assets teams • Sustainability Young Talents training	• Every Day Is An Impact Day: Sustainability at the heart of Ethias (p. 21) • Sustainable investments - general approach (p. 33) • Integrating ESG criteria into our investment processes (p. 33)
• Partnerships and commitments • Belgian Impact Day • Recovery plans	• Ethias' history of sustainability (p. 19) • Ethias' impact on society (p. 31) • Social Partnerships (p. 32) • Ethias as an active shareholder (p. 34-35) • Integrating ESG criteria into our investment processes (p. 33) • Investments in the Belgian economy (p.39)
• Offset projects	• Carbon balance 2022 (p. 23)

5.8. Ambitions 2023

Ethias' Sustainability strategy remains closely linked to its Brand Purpose "Daring to be human together". All actions considered for 2023 and beyond will always be guided by our mission to make people and solidarity our main concern.

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.

2022 was dedicated to the implementation of Ethias' new Sustainability strategy, with a strong focus on awareness and education on sustainability issues.

2023 will continue to engage our colleagues and other stakeholders in this ongoing challenge.

- Our various stakeholders will be invited to define with us the sustainability issues that matter to Ethias
- Within Ethias, the ReGeneration Movement will create a space for breathing, reflection and action in order to make a change and positively impact society and the planet every day
- We will continue our Net Zero trajectory by expanding our efforts to decarbonize our investment portfolio and value chain
- We will strive to reduce our environmental footprint and work towards a goal of ecosystem restoration by 2030 (" Nature Positive 2030 ")
- Through our Ethias Impact Fund, we will fight against youth poverty by launching a second edition of the Ethias Youth Solidarity Awards
- We will transform and enrich our product lines to offer our clients more and more sustainable solutions, both in Life and Non-Life
- We will strengthen our prevention offer, since it is an essential lever in the face of the repeated crises that affect us: health, energy, natural disasters, etc.
- We will integrate sustainability in all our business processes and at all levels of the company

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, together, the world we want to see tomorrow.

6. 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 department is constantly evolving and has been strengthened by the recruitment of specific skills. The internal control policy, put in place in 2021, is being continued.

7. Risk management

7.1. 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.

7.2. 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 advice are translated into measures to reinforce the management structure, the organization and the internal control system. These functions, together with the functions of the operational lines and support functions, are structured in such a way as that three lines of defence are in place.

7.2.1 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.

7.2.2 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.

7.2.3 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.

7.3. 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 light green in the diagram)
- is completed by the risks not covered by the standard formula (in dark green in the diagram).

Insurance risks			
Life underwriting risk	Non-Life underwriting risk	SLT Health	Non-SLT Health
Mortality risk	Premium and reserve risk	Catastrophe risk	
Longevity risk	Catastrophe risk	Mortality risk	Premium and reserve risk
Disability/ morbidity risk	Expense risk	Longevity risk	Termination risk (redemption)
Expense risk		Disability/ morbidity risk	
Revision risk		Expense risk	
Termination risk		Revision risk	
Catastrophe risk		Termination risk (redemption)	

Financial risks		
Market risk	Counterparty risk	Liquidity risk
Interest rate risk	Downgrade risk	Market liquidity risk
Stock (price) risk	Default risk	Risk of funding liquidity
Real estate assets risk		
Spread risk		
Foreign currency exchange risk		
Concentration risk		

Non-financial risks	
Operational risks	Other non-financial risks
Interruption and efailure of systems and activities	Model risk
Employment and safety practice in the workplace	Concentration risk
Violation of legal and regulatory obligations (Compliance)	Strategic risk
Internal and external client satisfaction	Reputational risk
Subcontracting, consultancy and supply	
Information security	
Data privacy (GDPR)	
Insurance fraud	
Project	
Execution, management, delivery of processes	

7.4. 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.

7.4.1 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.

7.4.2 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.

7.5. 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.

7.5.1 Non-Life

7.5.1.1 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.

7.5.1.2 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 2022	31 December 2021
Increase in internal claims handling costs by 10%	(14,929)	(13,968)
Increase by 5% in claims	(53,045)	(54,460)

7.5.2 Life

7.5.2.1 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.

7.5.2.2 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 2022	31 December 2021
Mortality risk		
Increase by 15 % in mortality	2,374	32,536
Longevity risk		
Increase by 20 % in longevity	(40,371)	(51,822)
Expense risk		
Increase in internal claims handling costs by 10%	(46,855)	(42,587)
Doubling of inflation relating to the base-case inflation vector	(115,373)	(108,013)

7.5.3 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 2022		31 December 2021	
	Income	Part of the income	Income	Part of the income
Non-Life insurance				
Public bodies and Companies	894,810	31%	808,583	30%
Private Individuals	616,832	22%	595,745	22%
Gross premiums	**1,511,642**	**53%**	**1,404,328**	**52%**
Public bodies and Companies	(33,203)	-1%	(31,852)	-1%
Private Individuals	(10,903)	0%	(7,343)	0%
Premiums ceded to reinsurers	**(44,106)**	**-2%**	**(39,195)**	**-1%**
Public bodies and Companies	861,607	30%	776,731	28%
Private Individuals	605,929	21%	588,402	22%
Net premiums	**1,467,536**	**51%**	**1,365,133**	**50%**
Life insurance				
Public bodies and Companies	1,338,711	47%	1,316,126	48%
Private Individuals	46,063	2%	46,415	2%
Gross premiums	**1,384,774**	**49%**	**1,362,541**	**50%**
Public bodies and Companies	(1,643)	0%	(1,362)	0%
Private Individuals	-	0%	-	0%
Premiums ceded to reinsurers	**(1,643)**	**0%**	**(1,362)**	**0%**
Public bodies and Companies	1,337,068	47%	1,314,764	48%
Private Individuals	46,063	2%	46,415	2%
Net premiums	**1,383,131**	**49%**	**1,361,179**	**50%**
Total amount Life and Non-Life insurance	**2,850,667**	**100%**	**2,726,312**	**100%**

7.5.4 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).

They are reassessed each year to meet the needs of production taking into account the reinsurance market and to hedge the capacities required under Solvency II.

The price of reinsurance has increased significantly compared to last year due to toughening markets caused by the claims ratio and reduced available capacities. The volume of premiums ceded has increased accordingly.

The structure of the reinsurance programmes has changed little between 2021 and 2022.

7.6. 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.

7.6.1 Counterparty risk

7.6.1.1 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.

7.6.1.2 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 2022					
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	872,062	-	-	-	-	872,062
Designated at fair value through profit or loss	120,085	-	-	-	-	120,085
Held for trading	-	-	-	-	-	-
Participating interests, shares and investment funds	992,147	-	-	-	-	992,147
Available for sale	11,064,809	-	129,356	-	129,356	10,935,454
Designated at fair value through profit or loss	186,926	-	-	-	-	186,926
Bonds	11,251,736	-	129,356	-	129,356	11,122,380
Loans and deposits recognized at amortized cost	1,078,889	-	-	202,918	202,918	875,971
Other investments	1,078,889	-	-	202,918	202,918	875,971
Held for trading	4,693	-	-	-	-	4,693
Held for hedging purposes	129,364	125,930	-	-	125,930	3,434
Derivative financial instruments	134,057	125,930	-	-	125,930	8,127
Receivables arising from insurance operations or accepted reinsurance	233,508	-	15,800	-	15,800	217,708
Receivables arising from ceded reinsurance operations	145,708	-	110,779	-	110,779	34,930
Other receivables	218,886	-	2,222	-	2,222	216,664
Cash and cash equivalents	677,736	-	-	-	-	677,736
Total amount of exposure to credit risk	**14,732,666**	**125,930**	**258,156**	**202,918**	**587,005**	**14,145,661**

In thousands of euros, in market value, at the Group's level	31 December 2021					
	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**

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 item 7.6.4.3.

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 129.4 million euros on 31/12/2022 and 167.6 million euros on 31/12/2021.

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 2022, the amount of collateral received on derivative products amounts to 125,9 million euros. Derivative financial instruments at end-2022 amounted to 134.1 million euros.

Receivables

The breakdown of guarantees relating to the account receivables can be found in section 18. Notes relating to items not included in the balance sheet, point 4.1.

The credit quality of receivables is set out in section 16. Notes to the consolidated balance sheet, point 9.3.

7.6.2 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.

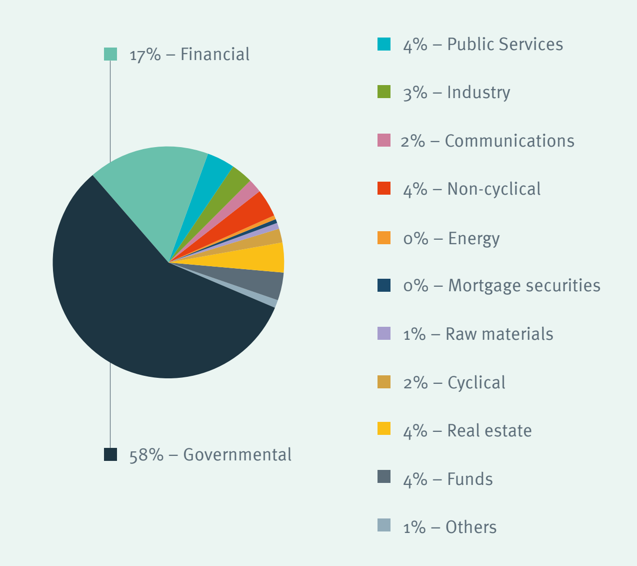
7.6.2.1 Sectoral distribution

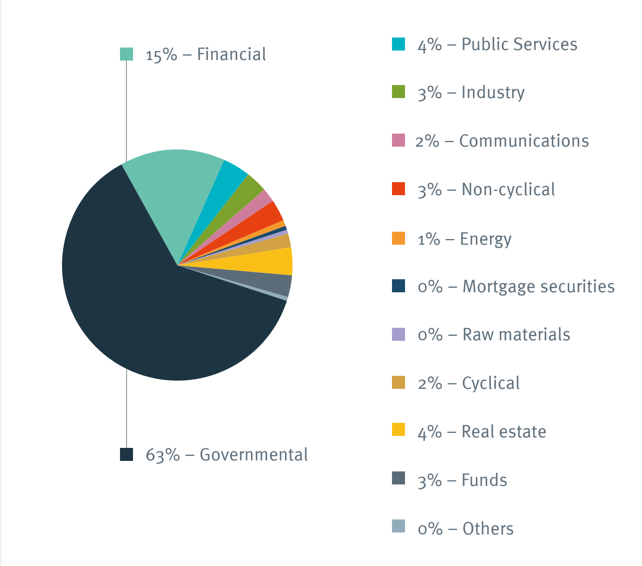
In order to manage the concentration at sectoral level of the financial assets, the financial limits system groups the assets together per distinct asset class and defines an asset allocation strategy which allows a sound diversification.

In 2021 and 2022, 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:

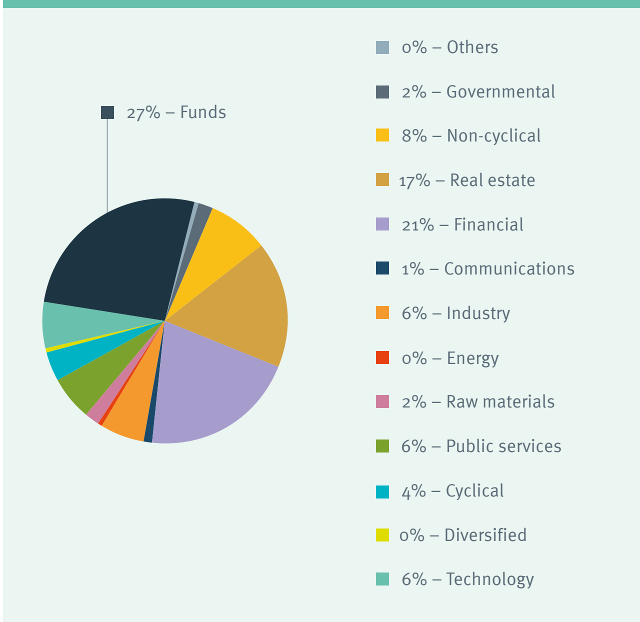
31 December 2022 Breakdown by market value	31 December 2021 Breakdown by market value

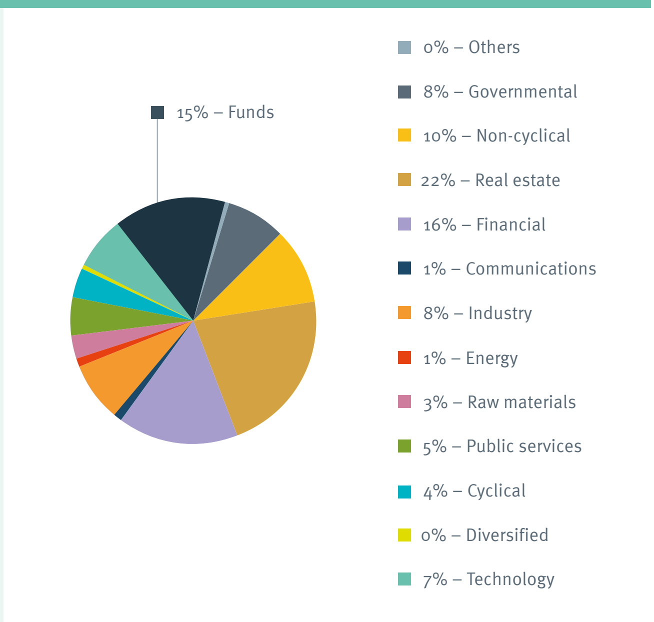




Shares, participating interests and investment funds:

31 December 2022 Breakdown by market value	31 December 2021 Breakdown by market value





7.6.2.2 Exposure to sovereign risk

At end-December 2022, the part invested in sovereign or supranational debt amounts to 62% of the total amount of the fair value of all the bonds (i.e. 7.001,5 million euros on a total of 11.251,7 million euros). End-2021, this part amounted to 68% (i.e. 10,202.2 million euros on a total of 15,098.4 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 2022	31 December 2021
Germany	561,974	687,135
Austria	162,449	182,849
Belgium	1,985,150	3,164,039
Canada	2,826	4,536
Spain	596,735	874,069
Central and Eastern Europe	354,048	559,857
France	996,709	1,383,082
Ireland	359,769	551,890
Italy	525,322	777,451
The Netherlands	12,631	13,820
Scandinavia	73,244	99,958
Portugal	582,293	806,847
Supranational securities	589,514	830,249
Others	198,787	266,467
Total	**7,001,451**	**10,202,248**

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, 7,001.5 million euros per December 31, 2022 (against 10,202.2 million euros per December 31, 2021), is higher than the amount mentioned under the sector "Governmental", i.e. 6,473.1 million euros (against 9,462.3 million euros per December 31, 2021).

7.6.3 Liquidity risk

7.6.3.1 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 half-yearly 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.

7.6.3.2 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.

7.6.3.3 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.

In thousands of euros, only Ethias SA	31 December 2022						
		Expected cash flows (undiscounted)					
	Book value	Total amount of undiscounted 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	11,241,148	15,121,123	1,794,448	3,865,838	3,626,225	3,423,563	2,411,050
Participating interests, shares, investment funds and investment property	1,848,789	2,943,786	9,897	827,000	627,964	870,199	608,726
Loans and deposits	1,311,895	1,541,471	110,568	470,903	284,429	605,796	69,774
Cash and cash equivalents	601,476	673,168	673,168	-	-	-	-
Investments belonging to unit-linked insurance contracts	1,609,303	1,715,263	1,715,263	-	-	-	-
Derivatives	372,595	372,317	123,573	248,744	-	-	-
Total assets	**16,985,205**	**22.367,128**	**4,426,917**	**5,412,485**	**4,538,618**	**4,899,557**	**3,089,551**
Liabilities							
Insurance and investment contract liabilities	12,916,391	14,923,900	1,847,338	3,794,031	2,875,372	3,612,798	2,794,361
Liabilities belonging to unit-linked insurance contracts	1,609,303	1,633,584	1,633,584	-	-	-	-
Subordinated debts	498,775	600,960	120,567	464,153	1,310	2,881	12,049
Other financial debts	545,367	545,285	545,285	-	-	-	-
Derivatives	238,821	238,543	21,960	216,583	-	-	-
Total liabilities	**15,808,658**	**17,942,272**	**4,168,733**	**4,474,767**	**2,876,682**	**3,615,680**	**2,806,410**

In thousands of euros, only Ethias SA	31 December 2022						
		Expected cash flows (undiscounted)					
	Book value	Total amount of undiscounted 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**

The projection of cash flows is based on several assumptions.

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 - 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 convention, these assets are not liquid until the second projection year. In addition, a recurring income rate is incorporated into their extinction profile over an investment horizon equal to the average of the different maturity classes.

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 2021 and 2022, 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.

7.6.4 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.

7.6.4.1 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.

7.6.4.2 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.

In thousands of euros *In market value*	31 December 2022						
	AAA	**AA**	**A**	**BBB**	**BB and below**	**No rating**	**Total**
Bonds and similar securities	841,892	4.050,880	1.995,896	3.477,873	167,756	717,438	11,251,736
Loans and deposits	-	18,865	166,995	58.,271	-	834,758	1,078,889
Receivables	-	-	430	-	-	597,672	598,102
Cash and cash equivalents	-	-	530,675	29,960	187	116,914	677,736
Total	**841,892**	**4,069,745**	**2,693,996**	**3.566,103**	**167,943**	**2,266,782**	**13,606,463**

In thousands of euros *In market value*	31 December 2021						
	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**

For “Bonds and similar securities”, very few changes in rating are observed in 2022. The evolutions are due to reinvestments (for example in AAA govies) and to the variation of the market values of investments.

7.6.4.3 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.

In thousands of euros, in market value	31 December 2022		31 December 2021	
	Fair value	**% of the value in the balance**	**Fair value**	**% of the value in the balance**
Participating interests	42,292	0.23%	133,831	0.63%
Equities	535,701	2.92%	728,625	3.44%
Investment funds	414,154	2.26%	447,837	2.12%
Total	**992,147**	**5.41%**	**1,310,293**	**6.19%**

7.6.4.4 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 2022, the market value of the Group's investment properties amounts to 635 million euros (i.e. 3.47% of total assets) against 643 million euros (i.e. 3.04% of total assets) in 2021.

7.6.4.5 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.

7.6.5 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) 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 2022	
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	(2,756)	(945,699)
Decrease in the yield curve by 100 basis points	2,756	945,699
Credit spread risk		
Increase in the credit spread by 100 basis points	(3,400)	(913,855)
Decrease in the credit spread by 100 basis points	3,400	913,855
Stock price risk		
Stock price decrease by 39 %	(117,727)	(234,550)
Stock price increase by 39 %	38,687	313,590

	31 December 2022	
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

Sensitivities to interest rates and credit spreads are lower than at end-2021 because the market values of the assets to which they apply have decreased significantly following the significant rise in interest rates over 2022. In terms of equity risk, we are seeing, in the event of a decline in equity levels, a decrease in sensitivities between other items of comprehensive income (OCI) and P&L as equity exposure has decreased in 2022.

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). In parallel, additional strategies to hedge the changes in market value of government bonds (against rising interest rates and spreads) were concluded in 2022. The estimated impact of these hedging derivatives at 31/12/2022 on the sensitivity of other items of comprehensive income is presented below.

Spread impact related to bond futures contracts:

- Increase in the credit spread by 100 basis points: +231 million euros
- Decrease in the credit spread by 100 basis points: -231 million euros

Interest rate impact related to bond futures contracts:

- Increase in interest rates with 100 basis points: +105 million euros
- Decrease in interest rates with 100 basis points: -105 million euros

The different impact levels have significantly increased compared to 2021 following the new protections purchased in 2022.

The amounts included in this section 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 offset the sensitivity of the result and of the OCI to market risks in case of positive latencies. Given the market conditions in 2022, latencies became negative and shadow accounting could no longer be applied.

7.7. 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.

7.8. Emerging risks

Emerging risks differ from other risks in the uncertainties surrounding them. Assessing their impact is not easy, but could be significant. An insurer must take this into account in its risk assessment. In addition to its regulatory obligations, Ethias is committed to taking into account all external risk factors, including emerging risks, in its regular risk assessment.

The combination of the analysis of external risks, of which emerging risks are a part, strategic risks and active risks of the company makes it possible to compile an inventory of the most important risks for Ethias and to prepare for the future as well as possible. This consolidated view of the most important risks serves to define the stress tests used in the ORSA (Own Risk Self Assessment). An analysis of a set of external presentations is used to reinforce this view and structured discussions take place with the Board of Directors in accordance with regulatory requirements. The 2022 ORSA report was presented to the Board of Directors on March 30, 2023 and sent to the regulator after validation.

The risk categories that have been most highlighted in recent years are environmental risks, with a focus on climate change, geopolitical risks linked to the evolution of the war in Ukraine and its consequences on energy prices and supply, and economic risks with the significant increase in inflation (partly linked to the increase in energy costs).

For example, Ethias is very attentive to the issue of environmental risks, of which climate risks are a part (global warming, pollution...) and which are likely to affect either the profitability of its products or the very continuity of its activities. Thus, as part of its ORSA process, Ethias assesses the potential impact of one or more natural disasters each year. The stress tests carried out on this occasion thus make it possible to challenge the company's reinsurance policy.

In its latest ORSA exercise, Ethias paid particular attention to floods, earthquakes and drought. Secondly, the risks related to greenhouse gas emissions were studied in a new climate change scenario. The overall objective is to identify material exposures to physical and transitional risks and to assess these risks in both the short and long term. A first approach in 2021 is proposed based on market trends and initial consultations by the European supervisory authorities prior to the publication of relevant directives.

A large majority of Ethias' Non-Life contracts have a one-year maturity. This allows the company to adapt the pricing of insurances fairly quickly to changes in climate risks. Its reinsurance treaties take into account the evolution of climate risks as well as concentration risks. From discussions with the reinsurers, Ethias gathers information on the further development of climate risks. This is of course incorporated into the pricing of reinsurance treaties, which provides market information on the evolution of the risks.

In addition, the Sustainable and Responsible Investment Policy excludes investments in environmentally harmful industrial activities.

To conclude, as part of the development of its business continuity plan, Ethias regularly conducts business continuity tests to determine its resilience capacity to risks of a catastrophic nature.

Similarly, black-out tests are organized periodically to determine its resilience based on its energy autonomy. These tests are all the more important in the energy context of 2022 and future fears of shortages in relation to the choices that will be made by Europe and the Belgian government on nuclear strategy. In its continuity plan, Ethias takes into account the specific studies carried out in this area and uses them to identify its test scenarios (e.g. load shedding plan, local/regional/national blackout).

Another emerging risk, but one that some companies are already experiencing, is the risk of cyberattacks. It is no longer a question of whether it will happen, but when it will happen.

In order to deal with this, Ethias, in accordance with its security policy, reassesses the maturity of its security-related processes every year. To this end, an exhaustive analysis is carried out of Ethias' compliance with all security requirements specified by the international standards ISO 27002 and NIST as well as by the circulars of the National Bank of Belgium. In addition to regulatory compliance, this analysis allows for a true assessment of the risks related to information security. On the basis of some fifty threats defined in accordance with the market, Ethias has verified that the measures to counter them are relevant and adequate and has drawn up a specific treatment plan to improve the maturity of security-related processes.

Ethias has an adequate level of protection thanks to the investments made over the years in vulnerability management, software and hardware obsolescence management, installation of firewalls, network segmentation, endpoint protection and access control, including an IAM (Identity and Access Management) for clients and one for employees.

Specifically for IAM-related projects, Ethias applies an access model based primarily on the business roles of its employees and external clients.

The Security Operation Center (SOC), another element of Ethias' protection SOC, identifies threats and monitors its platforms in order to quickly detect anomalies and initiate a response in case of an attack.

Its annual internal and external tests as well as other external tests encouraged by the National Bank, are also an indicator of Ethias' good level of protection.

In terms of recovery, Ethias is constantly looking for increasingly effective solutions to reduce recovery times in the event of a cyberattack. Cyber resilience tests are carried out regularly, which also helps to improve the behaviour of the people who will be on the front line in case of an attack. The last test carried out at end-2022 highlighted the points of improvement which are integrated into a remediation plan.

Finally, these layers of protection can only work properly if, first of all, a proper information security awareness is regularly carried out among the company's employees. In its information security awareness program, Ethias uses a training tool containing predefined modules for which every employee must participate in an assessment. For two consecutive years (2021 and 2022), the collective bonus was linked to the mandatory participation in various training sessions and a success rate of more than 80 % for a series of relevant quizzes. At the same time, Ethias regularly raises awareness on specific topics through its company intranet or on-site. It also has a simple process for reporting suspicious e-mails, allowing to react very quickly, both technically and in terms of steps to be taken by the employee. Tests on the ability of employees to recognize and report a phishing e-mail via this new simplified process were conducted in 2022 and will be repeated in 2023. The results for 2022 are very satisfactory and have highlighted the awareness efforts.

From a solvency point of view, cyberattacks are on the same level as ESG risks assessed in its annual ORSA report to the regulator.

8. Information regarding environmental and staffing matters

Information regarding environmental and staffing matters is dealt with in the annual reports of Ethias SA and its various subsidiaries, as well as in section ***5*. *Sustainability*.** Ethias would be nothing without the strength and commitment of its employees!

9. Events subsequent to the date of the consolidated balance sheet

Dividend

The Board of Directors of Ethias SA will propose to the General Assembly of May 2023 the payment of a dividend of 108 million euros.

Banking crisis of March 2023

Following the failure of some US regional banks (SVB, Silvergate, Signature Bank), market sentiment quickly escalated to a more systemic level. In Europe, attention quickly shifted to the situation of Crédit Suisse, which saw its access to interbank liquidities deteriorate. Despite the intervention of the Swiss National Bank, Crédit Suisse eventually had to sell itself to UBS in the hope of halting the outflow of deposits and easing the tensions that were shaking the entire banking system. Since then, strong messages of support for the financial sector have been issued by all central bankers and tensions around banking stocks seem to have eased somewhat after 3 days of trading.

In this context, Ethias benefits from the prudent approach implemented in its investment policy. Ethias has a negligible indirect exposure to Crédit Suisse of around 8,000 euros of AT1 bonds and a very limited indirect exposure to the US regional banks in the order of 0.2 million euros. These positions are only present within investment funds.

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

10.1. 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.

In order to best anticipate the impact of changes in future regulations on its 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.

10.2. Regulatory developments in sustainability

The EU-Corporate Sustainability Reporting Directive (CSRD) was adopted in November 2022 and introduces the need for more regular and detailed information on the environmental, social and human rights impact of companies, based on common and therefore comparable criteria. These rules aim to fill the gaps in the existing non-financial reporting directive (NFRD), which is currently considered largely insufficient and unreliable. The European Commission is expected to adopt a first set of measures by June 2023.

Financial and sustainability information will be included in a single report, providing investors with comparable information. In order to ensure the reliability of the information provided by the companies, they will be subject to independent audits and certifications.

The new EU sustainability reporting requirements will be applied to all large companies, both listed and unlisted, as well as to listed SMEs. Thus, for nearly 50,000 companies in the European Union, the collection and publication of information on their own sustainability will become the norm, whereas today only 11,700 companies are covered by the scope of the European law.

For Ethias, the publication of the first report in compliance with the new rules is expected for 2025 concerning the 2024 data. In order to anticipate these changes, Ethias has already integrated the sustainability information it wishes to communicate in its 2022 financial report.

11. Research & Development

11.1. Flora

After a successful start in September 2020, 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. Flora provides Ethias with a technological platform to offer new products online.

After the **tenant insurance** in 2020, followed by innovative insurance for **co-tenants** in 2021, Flora keeps the momentum with its new 100% digital **family** insurance in 2022.

11.2. Innovation Hub

When a company wants to grow in a sustainable way, it must always look for creative and innovative solutions to anticipate customer expectations. This is why Ethias created Ethi'Hub in 2020, an innovation hub, whose goal is to speed up the creation of new services related to insurance in one way or another. It is an open, flexible and participatory entity that collaborates with internal colleagues and external parties.

Since 2022, Ethi'Hub has been closely involved in the launch of Ethias Ventures, the Ethias subsidiary that will invest in European start-ups providing insurance-related solutions in the insurtech field. It is also one of the insurance ecosystems that will allow Ethias SA to continue to develop its activities with innovative products and services.

The complementary nature of the Group's 4.000 employees gives a real boost to innovation, for the benefit of its clients and society in general.

Values at the service of innovation

The Ethias' innovations reflect its 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

11.3. Venturing

In 2022, Ethias SA created Ethias Ventures as an investment fund.

Ethias Ventures is a subsidiary of Ethias that invests in the form of equity or loans in start-ups.

Ethias is looking to invest in European start-ups providing insurance-related solutions in the areas of insurtech and any of the insurance ecosystems (mobility, health, home, and other relevant sub-areas like energy, climate, ...).

The ultimate goal of Ethias Ventures is to help Ethias grow its business through innovative products and services.

Ethias Ventures supports Ethias' goals, which are:

- Improve the user experience of its clients.
- Create new services
- Provide new insurance products
- Digitize its current (hand operated) processes.
- Sell its insurance products through new distribution channels.

11.4. Technological developments

Ethias' IT continues to evolve in line with the strategic goals of strengthening Direct, Digital and Public Services. In this context, it launched many initiatives, including:

- The revision of the contract with the IT supplier in order to reinforce NRB's obligation of result regarding Delivery, within a budgetary framework which remains competitive and in a more efficient environment (in particular by optimizing the governance and automation within NRB). In the same spirit, Ethias also defined and followed up indicators to quickly identify dysfunctional causes and corrective measures.
- The opening, in collaboration with its IT partner, to solutions hosted on the cloud for new applications or new developments. This is an opportunity and an opening to new solutions, but also a cost reduction. However, in order for this potential transition to take place without compromising security and to comply with the GDPR legislation, we had to lay the groundwork by implementing an Ethias Cloud Computing Policy, the Cloud Decision Tree and a Cloud Directive.
- Ethias has also made progress in the implementation of the Agile methodology by launching several waves of transformation that have covered several business and IT teams on both the Ethias and NRB sides (GED, Non-Life Policy, API & Data Flow, Claims and CRM). It also standardized and improved the use of tools adapted to this methodology.

- Ethias' Automation continued with new achievements:
- The Digital Helpdesk Chatbot, Clea, went into production in May 2022 to help clients for ll their questions about the client zone.
- New functionalities/improvements for the AI RDR project (data extracted from the European accident report in car accidents and determination of responsibilities) were deployed.
- New Life B2C mailboxes are now automatically processed by the AI Gedimail solution.
- The GED In Enhancement project is now in production to automate the processing of lab and transportation invoices and still automates other documents.
- The implementation of a Voicebot in Health Care Claims to answer frequent questions from policyholders.
- Following an AI roadmap exercise carried out with a consultant and all Ethias departments (with a focus on Claims), it was able to promote AI and identify over 100 relevant AI use cases.
- At Flora, in addition to the evolution of the insurance product for tenants and co-tenants, in October Ethias launched a new family insurance product, sold in cross-selling.
- The modernization of its mainframe platform helped to get to a first "transformed" product. Thanks to Flexi-Tariff, we can change tariffs in a much faster and more flexible way (initially in car and assistance) via tools that no longer require heavy IT development.

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

12. Other activities of the Group

The net result of the other activities of the Group is mainly generated by the NRB Group, by real estate subsidiaires, and by the companies Ethias Sustainable Investment Fund SA (ESIF) and NEB Participations.

In January 2022, NRB strengthened its investment in the Salesforce solution by acquiring the company Ink Consulting.

Within the framework of the NRB group's reorganization, the merger of Trasys Luxembourg with NRB was completed on January 1, 2022, with the establishment of a Luxembourg branch, as well as the mergers of Logins with Cevi and of Infohos with Zorgi. Finally, Together Services was liquidated in December 2022.

The NRB group's turnover (including orders in progress) reached 505.4 million euros and increased by 3.8 million euros (+0.8%) compared with 2021. The growth is due to new acquisitions made in 2021 and 2022 for 0.7%.

The consolidated operating result amounts to 38.5 million euros as at December 31, 2022, i.e. a decrease by 40% compared to the previous year. This variation (-25 million euros) is mainly explained by (1) the increase in energy costs, (2) exit payments, (3) inflation, (4) consultancy costs and (5) decommissioning of projects.

The net result of the NRB group, in BGAAP, amounts to 21.2 million euros (of which 17.2 million euros for the Group's share and 4 million euros for the third party's share), which represents a decrease of 19.6 million euros compared to 2021.

The NRB sub-group contributes 27.7 million euros to the consolidated result, including 12.5 million euros in third-party interests.

Regarding the real estate subsidiaries, NEB Participations and ESIF, there were no major events during 2022.

13. Governance report[1]

13.1. Composition of the bodies

13.1.1 The Executive Committee

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

13.1.2 The Board of Directors

Name	Function
Myriam Van Varenbergh	Chair
Jacques Braggaar	Director
Marc Descheemaecker	Director
Kathleen Desmedt	Director
Olivier Henin	Director
Ingrid Loos	(Independent) Director
Claude Melen	(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
Wilfried Neven	Director
Maryline Serafin	Director
Benoît-Laurent Yerna	Director

13.1.3 The Audit and Risk Committee

Name	Function
Bruno van Lierde	Chairman
Marc Descheemaecker	Member
Ingrid Loos	Member
Claude Melen	Member
Marc Meurant	Member

13.1.4 The Appointments and Remuneration Committee

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

13.1.5 The Statutory Auditor

PwC – Réviseurs d'entreprises SRL

Culliganlaan 5 – B-1831 Diegem

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

1 Situation as of 31/12/2022

13.2. External offices exercised by the leaders of the Group

In accordance with Article 83 of the Law of March 13, 2016 on the status and supervision of insurance or reinsurance undertakings ("Solvency II Law"), the NBB Regulation of November 9, 2021 and the Communication NBB_2022_19 on the exercise of external functions by managers and persons responsible for independent control functions of regulated companies, Ethias SA publishes the list of the external functions exercised by its non-executive directors, its members of the Executive Committee and its members of the Management Meeting of band H.

Directors of Ethias SA

Name	Company	Registered office	Field of activity	Office exercised
Descheemaecker Marc	GIMV (listed bonds and stocks)	Karel Oomsstraat 37, 2018 Antwerpen	Investment company	Director and member of the Audit & Risk Committee
	De Lijn	Motstraat 20, 2800 Mechelen	Public transport	Vice-Chairman of the Board of Directors, member of the Audit & Risk Committee and member of the Appointments & Remuneration Committee
	Lijncom	Heusdenbaan 46 bus 2 - 9090 Melle	Tramway and bus advertisement	Chairman of the Board of Directors
	Lantis	Sint-Pietersvliet 7 – 2000 Antwerpen	Mobility	Chairman of the Board of Directors, member of the Appointments & Remuneration Committee
	Ecorys	Watermanweg 44 - 3067 GG Rotterdam	Counsel (public sector, security, justice, etc.)	Director, member of the Audit & Risk Committee
	Tunnel Liefkenshoek	Sint-Annalaan 1 - 9130 Kallo	Liefkenshoek tunnel management	Director
Henin Olivier	Fedimmo	Cantersteen 47, 1000 Bruxelles	Property management	Chairman of the Board of Directors
	SFPI	Avenue Louise 54/1, 1050 Bruxelles	Investment company	Vice-Chairman of the Board of Directors, member of the Strategy Committee
	Sabena Aerospace Engineering	Avenue E. Mounier 2, 1200 Bruxelles	Aeronautical and space maintenance	Director and CFO
	EthiasCo	Rue des Croisiers 24, 4000 Liège	Investment company	Chairman of the Board of Directors
	And One Management	Place Sainte-Begge 5, 5300 Andenne	Management company	Managing director
	Orizio	Avenue E. Mounier 2, 1200 Bruxelles	Investment company	Director and CFO
	SABCA	Chaussée de Haecht 1470, 1130 Bruxelles	Aeronautics	Director
	Dôme Invest	Rue des Olympiades 2, 6000 Charleroi	Investment company	Independent director
	Stemme Belgium	Rue Capt. Aviateur Jacquet 44, 5020 Namur	Aeronautics	Independent director
Loos Ingrid	Universiteit Antwerpen	Prinsstraat 13, 2000 Antwerpen	Education	Director
Melen Claude	Brussels South Charleroi Airport	Rue des Frères Wright 8, 6041 Charleroi	Air transport	Director, chairman of the Audit & Risk Committee
	Crelan	Boulevard Sylvain Depuis 251, 1070 Bruxelles	Credit institution	Director and member of the Audit & Risk Committee
	CrelanCo	Boulevard Sylvain Depuis 251, 1070 Bruxelles	Credit institution	Director

Name	Company	Registered office	Field of activity	Office exercised
Meurant Marc	Smart Plan	Rue de Linthout 120, 1040 Bruxelles	Company whose activity is an extension of the insurance business	Chairman of the Board of Directors
	M.M.H.	Boulevard A. de Fontaine 15, 6000 Charleroi	Insurance company	Executive director and risk manager
	Bessonnat	Rue Jean Piret 1B, L-2350 Luxembourg	Investment company	Chairman of the Board of Directors
	Scottish Widows Europe	Avenue du Bois 1, L-1251 Luxembourg	Insurance company	Director, chairman of the Audit & Risk Committee
	AMIFOR	Boulevard Bischoffsheim 1-8, Boîte 3, 1000 Bruxelles	Insurance company	Chairman of the Board of Directors
	CPH Life	Rue Perdue 7, 7500 Tournai	Insurance company	Director
	The Ring Ring Company	Culliganlaan 2/F - B9, 1831 Diegem	Communication	Director
Neyt Philipp	BNP Paribas B Invest	Rue Montagne du Parc 3, 1000 Bruxelles	Undertaking for investment in receivables	Independent director
	BNP Paribas B Strategy	Rue Montagne du Parc 3, 1000 Bruxelles	Undertaking for investment in receivables	Independent director
	Curalia	Rue des Deux Eglises 33, 1000 Bruxelles	Insurance company	Director
	Vladubel	Avenue du Port 2, 1080 Bruxelles	Undertaking for investment in receivables	Director
	PensioenInvest	Esplanade Heysel 1, PB 94, 1020 Bruxelles	Management company	Manager
	Ghelamco Invest (listed bonds)	Zwaanhofweg 10, 8900 Ieper	Real estate investment company	Director
Van Borm Karl	EthiasCo	Rue des Croisiers 24, 4000 Liège	Investment company	Director
Van Lierde Bruno	SMA	Avenue Hamoir 24B, 1180 Bruxelles	Management company	Managing director
	Sopartec	Place de l'université 1 1348 Louvain-la-Neuve	Investment company	Chairman of the Board of Directors, chairman of the Appointments & Remuneration Committee
	Tempora	Rue des Anciens Etangs 44-46, 1190 Bruxelles	Design and management of exhibitions and cultural sites	Chairman of the Board of Directors
	Buy Way	Boulevard Baudouin 29 bte 2, 1000 Bruxelles	Credit institution	Chairman of the Board of Directors, chairman of the Appointments & Remuneration Committee
	Cliniques de l'Europe	Avenue Defré 2016, 1180 Bruxelles	Hospital sector	Chairman of the Board of Directors, chairman of the Appointments & Remuneration Committee
	Inventures II SDG Growth	Avenue des Arts 56, 1000 Bruxelles	Undertaking for investment in receivables	Chairman of the Board of Directors, member of the investment committee
	Network Research Belgium (NRB)	Zoning industriel des Hauts-Sarts 2ème av. 65, 4040 Herstal	Auxiliary services company	Director, member of the Audit & Risk Committee
	Vives Inter University Fund	Place de l'université 16 bte 27, 1348 Louvain-la-Neuve	Investment company	Director
	Lloyd's Insurance Company	Bastion Tower, Etages 13&14, Place du Champ de Mars 5, 1050 Bruxelles	Insurance company	Chairman of the Board of Directors, member of the Audit & Risk Committee and chairman of the Appointments & Remuneration Committee
	The Ring Ring Company	Culliganlaan 2/F - B9, 1831 Diegem	Communication	Director
Van Varenbergh Myriam	Network Research Belgium (NRB)	Zoning industriel des Hauts-Sarts 2ème av. 65, 4040 Herstal	Auxiliary services company	Director

13.2.1 Effective leaders of Ethias SA

Name	Company	Registered office	Field of activity	Office exercised
Lallemand Philippe (CEO)	Safran Aero Boosters	Route de Liers 121, 4041 Herstal	Aircraft and space construction	Director
	Ethias Pension Fund	Rue des Croisiers 24, 4000 Liège	Investment company	Chairman of the Board of Directors
	Network Research Belgium (NRB)	Zoning industriel des Hauts-Sarts 2ème av. 65, 4040 Herstal	Auxiliary services company	Chairman of the Board of Directors, chairman of the Appointments & Remuneration Committee
	Assuralia	Square de Meeûs 29, 1000 Bruxelles	Insurance	Member of the Executive Committee and Director
	Socofe	Avenue Maurice Destenay 13 bte 2, 4000 Liège	Investment company	Director
	NEB Participations	Rue Louvrex 95, 4000 Liège	Holding company	Chairman of the Board of Directors
	NEB Foncière	Rue Louvrex 95, 4000 Liège	Real estate company	Chairman of the Board of Directors
	IMA Benelux	Square des Conduites d'Eau 11-12, 4031 Liège	Company whose activity is an extension of the insurance business	Director
Neven Wilfried (Vice CEO, CXO)	Xior Student Housing (listed stocks)	Mechelsesteenweg 34, 2018 Antwerpen	Real estate company	Chairman of the Board of Directors, member of the Audit & Risk Committee and member of the Appointments & Remuneration Committee
	Ethias Services	Rue des Croisiers 24, 4000 Liège	Auxiliary services company	Director
	Euresa	Rue Royale 151, 1210 Bruxelles	Insurance	Manager
	Ethias Ventures	Rue des Croisiers 24, 4000 Liège	Auxiliary services company	Director
Dumazy Nicolas (CSDO)	Noshaq	Rue Lambert Lombard 3, 4000 Liège	Investment company	Director and member of the Audit & Risk Committee
	IMA Benelux	Square des Conduites d'Eau 11-12, 4031 Liège	Company whose activity is an extension of the insurance business	Director, chairman of the Audit & Risk Committee
	Ethias Services	Rue des Croisiers 24, 4000 Liège	Auxiliary services company	Director
	Ethias Ventures	Rue des Croisiers 24, 4000 Liège	Auxiliary services company	Chairman of the Board of Directors
Kranzen Luc (CCDO)	Ethias Services	Rue des Croisiers 24, 4000 Liège	Auxiliary services company	Chairman of the Board of Directors
	Euresa	Rue Royale 151, 1210 Bruxelles	Insurance	Manager
	IMA Benelux	Square des Conduites d'Eau 11-12, 4031 Liège	Company whose activity is an extension of the insurance business	Director
Laenen Joris (CILO)	GIMV Health & Care	Karel Oomsstraat 37, 2018 Antwerpen	Investment company	Director
	DG Infra Yield	Karel Oomsstraat 37, 2018 Antwerpen	Investment company	Director
	Ethias Pension Fund	Rue des Croisiers 24, 4000 Liège	Investment company	Director
	Ethias Ventures	Rue des Croisiers 24, 4000 Liège	Auxiliary services company	Director
Molnar Izabella (CDTO)	IME Services & Consulting	Everbergstraat 72, 3071 Erps-Kwerps	Management company	Statutory manager
	Ethias Ventures	Rue des Croisiers 24, 4000 Liège	Auxiliary services company	Director and member of the Technical Committee
Serafin Maryline (CFO)	Network Research Belgium (NRB)	Zoning industriel des Hauts-Sarts 2ème av.65, 4040 Herstal	Auxiliary services company	Director
	Ethias Services	Rue des Croisiers 24, 4000 Liège	Auxiliary services company	Director
	Glasfaser Ostbelgien	Klötzerbahn 24, 4700 Eupen	Fiber-optic network	Director

Name	Company	Registered office	Field of activity	Office exercised
Yerna Benoît-Laurent (CRO)	Ethias Pension Fund	Rue des Croisiers 24, 4000 Liège	Investment company	Director
	Liège Airport	Aéroport de Liège, Bât 44, 4460 Grâce-Hollogne	Air transport	Director and member of the Audit & Risk Committee
	NEB Participations	Rue Louvrex 95, 4000 Liège	Holding company	Director
	NEB Foncière	Rue Louvrex 95, 4000 Liège	Real estate company	Director
	Ethias Ventures	Rue des Croisiers 24, 4000 Liège	Auxiliary services company	Director and member of the Investment Committee

13.2.2Members of Ethias SA's Management

Name	Company	Registered office	Field of activity	Office exercised
Bernier Bertrand (Head of Asset Management)	Ethias Sustainable Investment Fund	Rue des Croisiers 24, 4000 Liège	Investment company	Director
	Boosting. brussels by finance&invest. Brussels	Rue aux Laines 70, 1000 Bruxelles	Investment company	Director
	Finance&Invest. Brussels (SRIB SA)	Rue aux Laines 70, 1000 Bruxelles	Investment company	Director
	Veran Real Estate CY	Rue des Croisiers 24, 4000 Liège	Asset management company	Chairman of the Board of Directors
	UP 38	Rue des Croisiers 24, 4000 Liège	Asset management company	Chairman of the Board of Directors
	Sagitta	Rue des Croisiers 24, 4000 Liège	Asset management company	Chairman of the Board of Directors
	Real Goed Invest	Rue des Croisiers 24, 4000 Liège	Asset management company	Chairman of the Board of Directors
	Lothian Developments IV	Rue des Croisiers 24, 4000 Liège	Asset management company	Chairman of the Board of Directors
	Koala	Rue des Croisiers 24, 4000 Liège	Asset management company	Chairman of the Board of Directors
	Jan Dockx	Rue des Croisiers 24, 4000 Liège	Asset management company	Chairman of the Board of Directors
	Immo Vivegnis	Rue des Croisiers 24, 4000 Liège	Asset management company	Chairman of the Board of Directors
	Immo Hofveld	Rue des Croisiers 24, 4000 Liège	Asset management company	Chairman of the Board of Directors
	Het Gehucht	Rue des Croisiers 24, 4000 Liège	Investment company	Chairman of the Board of Directors
	Foncière du Berlaymont	Rue des Croisiers 24, 4000 Liège	Asset management company	Chairman of the Board of Directors
	Ethias Patrimoine	Rue des Croisiers 24, 4000 Liège	Asset management company	Chairman of the Board of Directors
	Bora	Rue des Croisiers 24, 4000 Liège	Asset management company	Chairman of the Board of Directors
	Ariane Real Estate	Rue des Croisiers 24, 4000 Liège	Asset management company	Chairman of the Board of Directors
	Archeion	Rue des Croisiers 24, 4000 Liège	Asset management company	Chairman of the Board of Directors
	Ankaret Invest	Rue des Croisiers 24, 4000 Liège	Asset management company	Chairman of the Board of Directors
Renard Régis (Head of Actuary & Data)	R4C	Avenue des Evaux 3, 1341 Ottignies-Louvain-la-Neuve	Management company	Manager
Xhonneux Dominique (Head of Risk Management)	Amerigo	Avenue Maurice Destenay 13, 4000 Liège	Investment company	Director

13.3. 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 Marc Descheemaecker, Ingrid Loos, Claude Melen and Marc Meurant.

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 was Professor of Strategy at the Solvay Brussels School of Economics and Management. 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 and SOS Children's Village Belgium. He is also a member of the Board of Directors of NRB, The Ring Ring Company, Vives Inter University Fund and the non-profit organisation H. Uni, and Managing Director of SMA. M. 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.

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, managing director, director and chairman of the SNCB/NMBS Audit Committee and director of the EIB and the EIF. He is currently chairman of the Board of Directors of Lijncom and Lantis, vice chairman of the Board of Directors of De Lijn, and director of GIMV, Ecorys and Tunnel Liefkenshoek.

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.

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, as well as director and member of the Audit Committee of Crelan, AXA Bank and CrelanCo. Originally from the Belgian Court of Audit, in charge of auditing the accounts and budgets of the Federation Wallonia-Brussels and the PIOs (Public Interest Organizations), she is currently a strategic project manager at the UNMS. 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. 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, Winterthur 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.

13.4. 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 Executive 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 and of Solidaris. He was also a director and member of Sowaer's Nomination and Remuneration Committee. He held the position of Secretary General of the PS (Socialist Party) 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 member of the General Assembly of Solidaris for the territory of Mons-Wallonie Picarde. 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 Board of Directors and member of the Strategic Committee of the SFPI, director and CFO of Sabena Aerospace Engineering and of Orizio, director of SABCA and independent director of Dôme Invest and of Stemme Belgium. Mr. Henin is also chairman of the board of directors of EthiasCo.

14. Consolidated financial statements

14.1. Consolidated balance sheet

In thousands of euros	Note	31 December 2022	31 December 2021
Goodwill	16.1	76,651	74,079
Other intangible assets	16.2	122,044	111,764
Operational buildings and other tangible fixed assets	16.3	40,115	43,403
Right-of-use of assets	16.4	51,837	62,341
Investments in associated companies	16.5	198,466	57,494
Investment properties	16.3	426,296	459,477
Financial assets available for sale		11,936,871	15,959,804
Financial assets at fair value through profit and loss		307,011	448,907
Loans, deposits and other financial investments recognized at amortized cost		1,170,581	884,905
Derivative financial instruments	16.7	372,878	25,852
Investments belonging to unit-linked insurance contracts		1,609,303	1,778,054
Financial investments	16.6	15,396,644	19,097,522
Reinsurers' share of technical provisions	16.14	224,801	225,730
Deferred tax assets	16.8	456,720	234
Receivables arising from insurance operations or accepted reinsurance	16.9	233,508	198,641
Receivables arising from ceded reinsurance operations	16.9	145,708	113,722
Other receivables	16.9	218,886	238,274
Any other assets	16.10	40,328	48,366
Cash and cash equivalents	16.11	677,736	455,300
Assets available for sale including assets from discontinued operations	16.12	13,909	-
Total assets		18,323,649	21,186,346

In thousands of euros	Annexe	31 December 2022	31 December 2021
Share capital		1,000,000	1,000,000
Reserves and retained earnings		1,378,383	1,296,346
Net profit (loss) of the period		397,648	188,970
Other items of comprehensive income		(1,222,754)	524,236
Equity of the Group		**1,553,277**	**3,009,552**
Non-controlling interests		**72,035**	**73,950**
Total equity	**16.13**	**1,625,311**	**3,083,503**
Insurance contract liabilities		8,360,408	9,038,974
Investment contract liabilities with discretionary participation features		4,383,766	4,899,693
Investment contract liabilities without discretionary participation features		3,259	3,244
Liabilities belonging to unit-linked insurance contracts		1,609,303	1,778,054
Profit sharing liabilities		35,676	43,099
Insurance and investment contract liabilities	**16.14**	**14,392,412**	**15,763,065**
Subordinated debts	**16.15**	**495,106**	**491,107**
Lease obligations due in more than one year	**16.15**	**32,932**	**42,680**
Lease obligations due in less than one year	**16.15**	**17,581**	**18,832**
Other financial debts	**16.15**	**583,327**	**771,577**
Employee benefits	**16.16**	**189,647**	**243,268**
Provisions	**16.17**	**12,308**	**24,401**
Derivative financial instruments	**16.7**	**238,821**	**123,259**
Tax liabilities payable	**16.18**	**79,243**	**56,051**
Deferred tax liabilities	**16.8**	**27,491**	**37,730**
Liabilities from operating activities	**16.18**	**342,907**	**257,593**
Other payables	**16.18**	**286,259**	**273,283**
Liabilities related to assets available for sale and discontinued operations	**16.12**	**304**	**-**
Total other liabilities		**16,698,338**	**18,102,844**
Total liabilities		**18,323,649**	**21,186,346**

The statements and notes of sections 14 to 18 form an integral part of the consolidated financial IFRS statements as at 31 December 2022.

14.2. Consolidated income statement

In thousands of euros	Notes	31 December 2022	31 December 2021*
Gross premiums	17.1	2,896,416	2,766,869
Premiums ceded to reinsurers	17.3	(45,749)	(40,556)
Change in the provision for unearned premiums and outstanding risks (a)		1,149	230
Other income from insurance activities		5,820	4,404
Revenues from insurance activities (a)	**17.1**	**2,857,636**	**2,730,947**
Revenues from other activities	**17.4**	**425,047**	**417,697**
Net income from investments		428,270	395,005
Net realized gains or losses on investments		12,263	83,679
Change in fair value of investments through profit and loss (b)		(319,315)	143,296
Net financial income	**17.5**	**121,218**	**621,980**
NET REVENUES		**3,403,901**	**3,770,623**
Claims and insurance benefits		2,080,239	2,867,394
Net expenses or revenues ceded to reinsurers	17.3	(39,103)	(116,688)
Management costs (c)		337,405	326,181
Technical expenses for insurance activities	**17.2**	**2,378,541**	**3,076,887**
Expenses for other activities	**17.4**	**406,838**	**389,403**
Change in depreciation and amortization on investments (net)	17.5	24,408	13,246
Other investment financial expenses	17.5	17,229	18,363
Finance costs	17.6	28,553	27,810
Financial and financing expenses		**70,190**	**59,419**
NET EXPENSES		**2,855,569**	**3,525,710**
Goodwill impairment		-	-
NET PROFIT (LOSS) BEFORE TAX		**548,332**	**244,914**
Income taxes	17.9	(135,279)	(35,322)
NET PROFIT (LOSS) AFTER TAX		**413,053**	**209,592**
Share of the associated companies in the result		(2,162)	(430)
Net profit (loss) from discontinued operations		-	-
Net consolidated profit (loss)		**410,891**	**209,162**
Group's share		397,599	188,970
Non-controlling interests		13,291	20,192

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

14.3. Statement of consolidated comprehensive income

In thousands of euros	31 December 2022	31 December 2021
NET CONSOLIDATED PROFIT (LOSS)	**410,891**	**209,162**
Actuarial gains and losses on defined benefit pension liabilities	46,500	34,601
Tax	(11,625)	(8,650)
Items that will not be reclassified to the income statement	**34,875**	**25,951**
Change in fair value of financial assets available for sale	(2,474,277)	(128,893)
Change in fair value of derivative instruments designated as cash flow hedges	129,793	(30,925)
Exchange rate differences of foreign currency	(1,453)	-
Share of the associated companies in the other items of comprehensive icome	7,490	-
Tax	557,640	58,985
Items likely to be reclassified to the income statement	**(1,780,806)**	**(100,833)**
TOTAL OF OTHER ITEMS OF COMPREHENSIVE INCOME OF THE FINANCIAL YEAR	**(1,745,931)**	**(74,882)**
NET CONSOLIDATED COMPREHENSIVE INCOME ATTRIBUTABLE TO:	**(1,335,040)**	**134,280**
Group's share	(1,348,332)	114,089
Non-controlling interests	13,291	20,192

* See note 15.5.24 Application of IAS 8 - Correction intercompany eliminations

14.4. Etat des flux de trésorerie consolidés

In thousands of euros	Notes	31 December 2022	31 December 2021
Net profit (loss) before tax (Total 1)		**548,332**	**244,914**
Depreciations and impairments on intangible and tangible assets	16.2, 16.3, 16.4	49,196	50,596
Change in depreciations on financial instruments and investment properties	16.3, 16.6, 17.5	24,408	13,246
Change in fair value on investments through profit or loss	16.6, 17.5	319,315	(143,296)
Provisions for risks and expenses, and other liabilities	16.17, 17.7	2,955	5,446
Change in provisions of insurance and investments contracts	16.14	(349,096)	538,081
Deduction of amounts included in the current result before tax for inclusion in the actual cash flows		(379,014)	(404,165)
Corrections of the amounts that do not impact cash flows (Total 2)		**(332,236)**	**59,907**
Dividends and instalments on earned dividends		41,453	40,303
Earned financial income	17.5	349,961	366,371
Use of provision for employee benefits		(17,903)	(15,205)
Change in current receivables and debts	16.9, 16.18	70,223	23,440
Change in liabilities from insurance and investments contracts	16.14	(95)	5,298
Tax paid		(46,037)	(46,258)
Other changes (Total 3)		**397,602**	**373,949**
Net cash flows from operating activities (Total 1+2+3)		**613,699**	**678,770**
Shares in subsidiaries, net of acquired cash in hand	15.3.1	(75,045)	(53,254)
Acquisitions of financial assets and investment properties	16.3, 16.6	(3,467,191)	(4,588,799)
Acquisitions of intangible and tangible fixed assets	16.2, 16.3, 16.4	(46,655)	(66,221)
Disposals of shares in subsidiaries, net of transferred cash	15.3.2	18,907	20,860
Disposals of financial assets and investment properties	16.3, 16.6	3,511,466	3,921,908
Disposals of intangible and tangible fixed assets	16.2, 16.3, 16.4	6,318	40,493
Net cash flows from investing activities		**(52,201)**	**(725,012)**
Subscription to capital increase		-	4
Capital refund		-	-
Dividends paid by the parent company		(105,000)	(103,000)
Dividends paid to third parties		(8,980)	(7,365)
Issues of financial liabilities	16.15	(699)	97
Refund of financial liabilities	16.15	(6,590)	(17,245)
Interests paid on financial liabilities	17.6	(22,706)	(25,071)
Issuance of lease obligations	16.15	9,939	37,078
Reimbursement of lease obligations	16.15	(20,451)	(19,591)
Interest paid on lease obligations	17.6	(345)	(408)
Net cash flows from financing activities		**(154,832)**	**(135,501)**
Total cash flows		**406,666**	**(181,743)**
Cash or cash equivalents at the beginning of the period	**16.11**	**(271,027)**	**(90,464)**
Cash or cash equivalents at the end of the period	**16.11**	**132,374**	**(271,027)**
Change in the cash accounts		406,666	(181,743)
Impacts of exchange rate differences of foreign currency and of other transactions		(1,761)	(10)
Changes in accrued interests not yet due on cash equivalents		(1,504)	1,190
Change in cash		**403,401**	**(180,563)**

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.

14.5. Consolidated statement of changes in equity

In thousands of euros	2022						
	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**	**1,485,317**	**525,014**	**(779)**	**3,009,552**	**73,950**	**3,083,503**
Net consolidated profit (loss)	-	397,599	-	-	397,599	13,291	410,891
Total of other items of comprehensive income of the financial year	-	-	(1,875,360)	129,430	(1,745,931)	-	(1,745,931)
Other movements	-	-	-	-	-	-	-
Net consolidated comprehensive income	-	**397,599**	**(1,875,360)**	**129,430**	**(1,348,332)**	**13,291**	**(1,335,040)**
Capital movements	-	-	-	-	-	-	-
Dividends	-	(105,000)	-	-	(105,000)	(8,980)	(113,980)
Change in the consolidation scope	-	(1,885)	(1,059)	-	(2,944)	(6,227)	(9,171)
Other movements	-	-	-	-	-	-	-
Equity as of 31 December	**1,000,000**	**1,776,031**	**(1,351,405)**	**128,651**	**1,553,277**	**72,035**	**1,625,311**

In thousands of euros	2021						
	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**

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 and on investments in associates, as well as the related deferred taxes.

The column "Other" includes the reserve for actuarial gains and losses on pension obligations, revaluations of hedging derivatives, currency translation adjustments and related deferred taxes.

The dividends distributed in 2022 are mainly composed of the dividend paid by Ethias SA to its shareholders (105 million euros) and the dividends distributed outside the Group (9 million euros), mainly by the NRB sub-group.

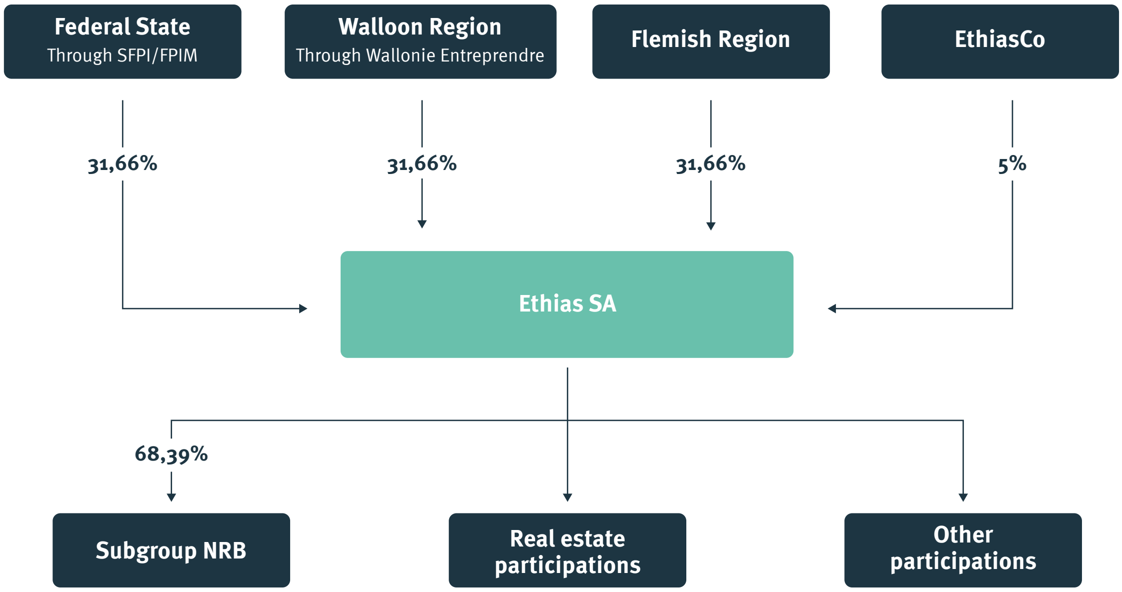
In 2022, the line "Change in scope" includes a decrease in the Group's equity as a result of changes in percentage of Zorgi (ex-Infohos/Xperthis SA) and WLP Holding and the inclusion of NEB Participations in the scope of consolidation. Minority interests are also impacted by the change in percentage of Zorgi as well as by the integration of Ink Consulting in the consolidation.

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.

15. General information

15.1. 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 Wallonie Entreprendre, 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), Ethias Ventures (investment in innovative insurance-related start-ups), 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).

15.2. Consolidation scope

15.2.1 List of the consolidated subsidiaries

	31 December 2022					31 December 2021		
	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%	64.56%	64.56%	
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%	
Koala	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
Lothian Developments IV	Belgium	Real estate	EUR	100.00%	100.00%	100.00%	100.00%	
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%	68.39%	100.00%	
Altair	Belgium	IT	EUR	68.39%	100.00%	68.39%	100.00%	
Athena Informatic	Belgium	IT	EUR	68.39%	100.00%	68.39%	100.00%	
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%	68.39%	100.00%	
Civadis	Belgium	IT	EUR	34.88%	100.00%	34.88%	100.00%	
Infohos	Belgium	IT	EUR	0.00%	0.00%	49.24%	90.00%	Absorbed by Zorgi
Ink Consulting	Belgium	IT	EUR	68.39%	100.00%	0.00%	0.00%	Acquisition by NRB
Logins	Belgium	IT	EUR	0.00%	0.00%	34.88%	100.00%	Absorbed by Cevi
NRB	Belgium	IT	EUR	68.39%	68.39%	68.39%	68.39%	
Orda's	Belgium	IT	EUR	68.39%	100.00%	68.39%	100.00%	
PDP	Belgium	IT	EUR	34.88%	100.00%	34.88%	100.00%	

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%	
SDP	Belgium	IT	EUR	34.88%	100.00%	34.88%	100.00%	
SLM	Belgium	IT	EUR	68.39%	100.00%	68.39%	100.00%	
Siggis	Belgium	IT	EUR	34.88%	100.00%	34.88%	100.00%	
Trasys Luxembourg	Luxembourg	IT	EUR	0.00%	0.00%	68.39%	100.00%	Absorbed by NRB
Trigone Informatique	France	IT	EUR	68.39%	100.00%	68.39%	100.00%	
Xperthis Group	Belgium	IT	EUR	54.71%	80.00%	54.71%	80.00%	
Zorgi (former Xperthis SA)	Belgium	IT	EUR	54.71%	100.00%	49.24%	100.00%	Change in percentage
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%	
Ethias Ventures	Belgium	Holding	EUR	100.00%	100.00%	0.00%	0.00%	Creation by Ethias
Glasfaser Ostbelgien	Belgium	Other	EUR	50.02%	50.02%	0.00%	0.00%	Creation by Ethias
Associates and equity method :								
Real estate subsidiaries								
Cityforward	Belgium	Real estate	EUR	49.50%	49.50%	0.00%	0.00%	Acquisition by Ethias
Hamsterhuren II	Belgium	Real estate	EUR	21.69%	21.69%	0.00%	0.00%	Acquisition by Ethias
WLP Holding	Belgium	Real estate	EUR	33.33%	33.33%	50.00%	50.00%	Change in percentage
WLP I	Germany	Real estate	EUR	30.00%	30.00%	25.00%	25.00%	Change in percentage
WLP II	Belgium	Real estate	EUR	33.33%	33.33%	50.00%	50.00%	Change in percentage
WLP III	Belgium	Real estate	EUR	33.33%	33.33%	50.00%	50.00%	Change in percentage
WLP IV	Belgium	Real estate	EUR	33.33%	33.33%	50.00%	50.00%	Change in percentage
WLP VII	Belgium	Real estate	EUR	33.33%	33.33%	50.00%	50.00%	Change in percentage
WLP VIII	Belgium	Real estate	EUR	33.33%	33.33%	50.00%	50.00%	Change in percentage
WLP XI	England	Real estate	GBP	33.33%	33.33%	50.00%	50.00%	Change in percentage
WLP CVH	Belgium	Real estate	EUR	33.33%	33.33%	50.00%	50.00%	Change in percentage
WLP CV	Belgium	Real estate	EUR	33.33%	33.33%	50.00%	50.00%	Change in percentage
Zabrixx I	Belgium	Real estate	EUR	48.90%	48.90%	0.00%	0.00%	Acquisition by Ethias
NRB Group								
BelgiumDC	Belgium	IT	EUR	34.19%	50.00%	34.19%	50.00%	
Together Services	Belgium	IT	EUR	0.00%	0.00%	34.19%	50.00%	Liquidation
Others								
IMA Benelux	Belgium	Other	EUR	33.00%	33.00%	33.00%	33.00%	
Green4You	Belgium	Other	EUR	26.00%	26.00%	26.00%	26.00%	
NEB Participations	Belgium	Holding	EUR	29.43%	29.43%	0.00%	29.43%	Change in scope

15.3. Acquisitions and disposals of subsidiaries

15.3.1 Assets and liabilities of companies acquired

In thousands of euros	31 December 2022	31 December 2021
Goodwill and other intangible assets	2,596	2,869
Investment properties	-	1,243
Financial investments	-	-
Reinsurers' share of technical provisions	-	-
Other assets and tangible fixed assets	738	7,187
Cash and cash equivalents	5,358	870
Insurance and investment contract liabilities	-	-
Financial debts	(327)	(705)
Provisions for risks and expenses	-	-
Other liabilities	(231)	(3,254)
Participating interests accounted for using the equity method	60,358	31,768
Non-controlling interests	6,227	7,991
Changes in equity following acquisitions	5,684	6,156
Net assets acquired	**80,403**	**54,124**
Less: Acquired cash in hand	(5,358)	(870)
Less: Badwill	-	-
Cash used for acquisitions	**75,045**	**53,254**

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.

In 2022, NRB acquired 100% of the shares of Ink Consulting and participated in the capital increase of Belgium DC. Furthermore, Xperthis Group acquired an additional 10% of Infohos' shares, bringing its stake to 100%. Finally, Ethias acquired 100% of Ethias Ventures, 49.5% of Cityforward, 50% of Glasfaser Ostbelgien, 21.7% of Hamsterhuren II and 48.9% of Zabrixx I, and participated in the capital increase of WLP Holding. The net cash flow relating to the acquisitions of 2022 amounts to -4 million euros for Ink Consulting, -0.5 million euros for Belgium DC, -9 million euros for Infohos, -50 million euros for Cityforward, -4 million euros for Hamsterhuren II, -4.9 million euros for Zabrixx I and -2.6 million euros for WLP Holding. The setting up of Ethias Ventures and Glasfaser Ostbelgien did not generate any cash flow outside the group.

The non-controlling interests in the 2021 and 2022 acquisitions were initially valued at Ethias' proportionate share of the identifiable net assets of the acquired companies.

15.3.2 Assets and liabilities of divested companies

In thousands of euros	31 December 2022	31 December 2021
Intangible assets	-	-
Financial investments	-	16,984
Reinsurers' share of technical provisions	-	-
Any other assets	-	1,580
Cash and cash equivalents	-	590
Insurance and investment contract liabilities	-	-
Financial debts	-	(11,918)
Provisions for risks and expenses	-	-
Other liabilities	-	(1,077)
Participating interests accounted for using the equity method	19,383	-
Changes in equity following disposals	(477)	-
Net assets divested	**18,907**	**6,159**
Gain/(loss) on disposals, net of tax	-	15,291
Net cash received related to disposals without loss of control	-	-
Transferred cash	-	(590)
Cash received for disposals	**18,907**	**20,860**

The amounts presented above correspond, in 2022, to the decrease in percentage of WLP Holding and the liquidation of Together Services (generating 18.8 and 0.1 million euros of cash respectively), and in 2021, to the disposal of Les Hauts Prés.

15.4. Presentation of the NRB subgroup

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

1 Including branches in Luxembourg, Greece, Italy and Great Britain

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 2.4 million euros in 2022 and of 3.9 million euros in 2021. In addition, NRB's holders of interests not giving control to Ethias received a dividend of 6.2 million euros in 2022 compared to 3.2 million euros in 2021.

15.4.1 Consolidated balance sheet

In thousands of euros	31 December 2022	31 December 2021
Goodwill	**83,888**	**80,127**
Other intangible assets	**24,498**	**14,461**
Operational buildings and other tangible fixed assets	**17,711**	**19,329**
Right-of-use of assets	**19,845**	**24,556**
Investments in associated companies	**1,434**	**998**
Investment properties	**-**	**-**
Financial assets available for sale	50	50
Financial assets at fair value through profit and loss	24,900	23,587
Loans, deposits and other financial investments recognized at amortized cost	6,787	5,105
Financial investments	**31,737**	**28,742**
Reinsurers' share of technical provisions	**-**	**-**
Deferred tax assets	**75**	**-**
Receivables arising from insurance operations or accepted reinsurance	**-**	**-**
Receivables arising from ceded reinsurance operations	**-**	**-**
Other receivables	**120,955**	**111,933**
Any other assets	**39,113**	**47,245**
Cash and cash equivalents	**34,731**	**63,304**
Assets available for sale including assets from discontinued operations	**-**	**-**
Total assets	**373,986**	**390,695**
Share capital	16,837	16,837
Reserves and retained earnings	143,874	122,800
Net profit (loss) of the period	21,818	46,455
Other items of comprehensive income	2	2
Equity of the Group	**182,530**	**186,093**
Non-controlling interests	**14,678**	**14,830**
Total equity	**197,208**	**200,923**
Insurance and investment contract liabilities	**-**	**-**
Subordinated debts	**-**	**-**
Lease obligations due in more than one year	**11,172**	**14,943**
Lease obligations due in less than one year	**8,759**	**9,728**
Other financial debts	**16,783**	**23,629**
Employee benefits	**2,075**	**2,175**
Provisions	**964**	**4,978**
Derivative financial instruments	**-**	**-**
Tax liabilities payable	**14,639**	**12,526**
Deferred tax liabilities	**10**	**610**
Liabilities from operating activities	**-**	**-**
Other payables	**122,376**	**121,183**
Liabilities related to assets available for sale and discontinued operations	**-**	**-**
Total other liabilities	**176,778**	**189,771**
Total liabilities	**373,986**	**390,695**

15.4.2 Compte de résultats consolidé

In thousands of euros	31 December 2022	31 December 2021
Revenues from insurance activities	-	-
Revenues from other activities	**539,196**	**530,349**
Net income from investments	1,462	817
Net realized gains or losses on investments	(77)	1,646
Change in fair value of investments through profit and loss (a)	(3,520)	(302)
Net financial income	**(2,135)**	**2,161**
NET REVENUES	**537,061**	**532,511**
Technical expenses for insurance activities	-	-
Expenses for other activities	**501,720**	**465,003**
Change in depreciation and amortization on investments (net)	-	160
Other investment financial expenses	1,040	826
Finance costs	642	602
Financial and financing expenses	**1,681**	**1,588**
NET EXPENSES	**503,401**	**466,592**
Goodwill impairment	-	-
NET PROFIT (LOSS) BEFORE TAX	**33,660**	**65,919**
Income taxes	(6,458)	(14,532)
NET PROFIT (LOSS) AFTER TAX	27,202	**51,387**
Share of the associated companies in the result	42	55
Net consolidated profit (loss)	**27,244**	**51,442**
Group's share	21,818	46,455
Non-controlling interests	5,426	4,987

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

15.4.3 Statement of consolidated comprehensive income

In thousands of euros	31 December 2022	31 December 2021
NET CONSOLIDATED PROFIT (LOSS)	**27,244**	**51,442**
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	-	-
Exchange rate differences of foreign currency	-	-
Share of the associated companies in the other items of comprehensive icome	-	-
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:	**27,244**	**51,442**
Group's share	21,818	46,455
Non-controlling interests	5,426	4,987

15.5. Summary of significant accounting principles

15.5.1 Basis of preparation of the consolidated financial statements

15.5.1.1 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 2022, 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 macro-economic context of 2022 (170% at December 31, 2022 compared to 178% at December 31, 2021). 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).

15.5.1.2 New standards, amendments and interpretations published and adopted since 1 January 2022

The following new standards and interpretations, applicable as from 1 January 2022, had no major incidence on the consolidated accounts of the Group:

- Amendments to IFRS 3;
- Amendments to IAS 16;
- Amendments to IAS 37;
- Annual Improvements;
- Amendments to IFRS 16;

The impact of these amendments to IFRS on our consolidated financial statements at December 31, 2022 is not material.

15.5.1.3 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 being finalized.

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 was 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 did 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. IFRS 17 was adopted in the European Union on November 19, 2021. The version of the IFRS standard 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).

As part of the IFRS 17 implementation project, Ethias has made a series of accounting choices in line with the principles of the new standard. Below are the main choices:

1) Reporting period and frequency

The reporting method is "Year-to-date" and its frequency will be half-yearly.

2) Scope under IFRS 17

For Non-Life contracts, the scope of IFRS 17 is identical to the scope of IFRS 4. For Life contracts, part of the IFRS 4 scope is accounted for under IFRS 9. These are mainly the following contracts:

- 1st pillar with review clause of the tariff conditions ;
- Branch 23;
- Financing Fund.

3) Level of aggregation

Insurance contracts are aggregated by homogeneous risks managed together and distinguished by annual cohorts. They are also grouped according to their expected profitability.

4) Valuation model

Ethias uses the simplified model (PAA - Premium Allocation Approach) whenever possible (mainly on annual Non-Life contracts, on Reinsurance contracts as well as on Disability contracts).

In all other cases, Ethias uses the General Measurement Model (GMM), possibly in its modified version to take into account possible profit-sharing.

At present, Ethias does not have any contracts valued according to the Variable Fee Approach (VFA).

5) Discount curves

The approach used to construct the discount curves is the Bottom-Up approach (risk-free rate plus an illiquidity premium). For maturities with an insufficient level of liquidity in the financial markets, Ethias uses a method of extrapolation towards the UFR level (Ultimate Forward Rate) published by EIOPA (a concept close to that applied in the framework of Solvency II).

6) Risk adjustment

The risk adjustment will be calculated on the basis of a percentile approach after diversification at the Ethias level. For the Life perimeter, the methodology applied is close to that of the risks considered by Solvency II, but with an adjustment for the level of confidence and for the view in the ultimate(as opposed to a one-year view in the framework of Solvency II). For the Non-Life perimeter, Ethias uses the Value-at-Risk (VaR) method which is applied directly to a view in the ultimate.

In both cases, the confidence level is set with reference to the risk appetite framework.

7) Disaggregation of financial result

Ethias has chosen the option of systematically allocating the financial result between the income statement and other comprehensive income in order to align as closely as possible the accounting of contracts within the scope of IFRS 17 with that of the corresponding assets, which are mainly measured at fair value through other items of comprehensive income, in order to present an income statement that best reflects the economic specificities of the business.

8) Transition methods

IFRS 17 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 Contractual Service Margin (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).

Ethias has applied the Full Retrospective Approach (FRA) whenever possible, taking into account the technical constraints on data availability. When this was not possible, Ethias used the Fair Value Approach (FVA). This mainly concerns the major part of the Life perimeter for which the availability of historical data proved impracticable following IT system migrations and changes in accounting categories. In combination with the FVA method, a methodology for estimating the position of other items of comprehensive income at transition has been developed to ensure a balance-sheet equilibrium and the representativeness of the financial results.

IFRS 9 - Financial instruments

The effective date for the application of IFRS 9 is January 1, 2023. An IFRS 9 project has been underway for some time at Ethias and the implementation of systems and processes was largely completed in 2021.

The classification of financial assets under IFRS 9 depends on the specific company model in place and on the contractual cash flow characteristics of the asset.

The classification categories for financial instruments under IAS 39 will be reclassified under IFRS 9 from January 1, 2023 resulting in three main measurement bases (“amortized cost”, “measurement at fair value through other comprehensive income” or “measurement at fair value through profit or loss”).

The reclassification of financial instruments into IFRS 9 categories will be applied retrospectively from January 1, 2023, as if the financial instrument had always been classified under IFRS 9 since its initial recognition.

The impact of the first-time application under IFRS 9 is mainly due to a reclassification of part of the financial asset portfolios related to first and second pillar insurance contracts (reclassification from the category under IAS 39 “available-for-sale” (“measurement at fair value through other comprehensive income”) to the category under IFRS 9 “held for collection of contractual cash flows” at “amortized cost”) and the recognition of unrealized gains and losses on a limited number of investments that did not pass the contractual cash flow characteristics test. For equity instruments that are not held for trading, Ethias has decided to classify them definitively with “measurement at fair value through other comprehensive income”.

Financial instruments that are subject to an “expected credit loss” calculation will be classified according to the three stages defined by the standard. In this context, Ethias has put in place sufficient processes to assess whether the credit risk has increased significantly at the end of each reporting period.

At the date of these financial statements, Ethias concludes for the future application of IFRS 9 that the majority of its investments in financial instruments are held in a business model where the objective is achieved through both the collection of contractual cash flows and the sale of financial assets, with the measurement of those financial assets at fair value through other comprehensive income. This conclusion confirms the fact that Ethias holds the majority of its financial assets to cover its liabilities resulting from insurance contracts.

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 item 16.6.2 of section ***16. Notes to the consolidated balance sheet*** is listed below:

In thousands of euros	2022		
	Amortized cost	**Fair value through other items of comprehensive income**	**Total**
Opening balance on 1 January	**3,584,817**	**11,914,241**	**15,499,058**
Acquisitions	952,124	1,417,373	**2,369,497**
Profits and losses realized on hedging instruments not yet transferred to profit or loss	-	825	**825**
Disposals and reimbursements	(760,976)	(1,621,170)	**(2,382,146)**
Foreign currency translation differences on monetary assets	-	-	**-**
Adjustment at fair value	(565,008)	(2,794,015)	**(3,359,023)**
Amortizations	(6,907)	28,172	21,265
Changes in accrued interests not yet due	(6,518)	34,477	**27,959**
Impairments	(2,103)	-	**(2,103)**
Other changes	565,136	(565,136)	-
Net book value on 31 December	**3,760,565**	**8,414,767**	**12,175,332**

In thousands of euros	2021		
	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**

The fair value of financial assets classified as "SPPI" in accordance with IFRS 9 that are neither held for trading nor related to branch 23 contracts, amounts to 12,175 million euros at 31 December 2022 compared to 15,499 million euros at 31 December 2021. The decrease is mainly due to the fall in the fair value of bond assets following the rise in rates observed on the markets.

The item "Other changes" corresponds to the reclassification of cash instruments, which are now recorded under "Amortized cost".

In addition to this information, the bonds classified as SPPI, listed under the heading "Bonds and similar securities" in table 7.6.4.2 of section ***7. Risk Management***, are detailed in the table below:

	31 December 2022						
In thousands of euros	AAA	AA	A	BBB	BB and below	No rating	Total
Bonds and similar securities	841,892	4,048,569	2,005,984	3,549,777	119,519	18,424	10,584,166

	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

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 128 million euros at 31/12/2022 under IFRS 9 (compared to 168 million euros at 31/12/2021).

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 assessments.

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 31/12/2022.

Main impacts of replacing IFRS 4 and IAS 39 with IFRS 17 and IFRS 9

The balance sheet impacts of the application of IFRS 17 and IFRS 9 on contracts currently under IFRS 4 and on the former IAS 39 perimeter are limited and do not change the picture of Ethias' financial stability.

The main impact is due to the distinction of the new element of the CSM, corresponding to the estimate of future profits of contracts in the scope of IFRS 17 and classified in the liabilities category. This item was not part of the liability under IFRS 4 and was therefore implicitly included in equity. It is important to note, however, that despite its classification as a liability, the CSM is generally considered by market participants to being part of equity.

According to our current estimates, at the transition date, the sum of the equity and the total CSM would be close to the amount of the equity before the transition (variation of less than 10%). This stability is also attributable to the use of shadow accounting under IFRS 4.

Apart from the CSM distinction, the level and structure of equity may vary from that under IFRS 4, mainly due to differences in:

- application of discounted flows;
- risk margin;
- contract limits;
- disaggregation of financial results between income statement and other items of comprehensive income.

The final impacts of the IFRS 9 and IFRS 17 transition on equity are not available at the time of writing this report as it is possible that adjustments will still be necessary following the closing exercises of the comparative year 2022.

15.5.2 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.

15.5.3 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.

15.5.4 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.

15.5.5 Foreign currency translation and transactions

15.5.5.1 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.

15.5.5.2 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.

15.5.6 Intangible assets

15.5.6.1 Goodwill

Assessment

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.

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.

15.5.6.2 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.

15.5.7 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.

15.5.8 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.

15.5.9 Financial investments

15.5.9.1 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.

15.5.9.2 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.

15.5.9.3 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.

15.5.9.4 Assessment

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.

15.5.9.5 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.

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.

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.

15.5.9.6 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.

15.5.10 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.

15.5.11 Reinsurance

15.5.11.1 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.

15.5.11.2 Acceptances

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

15.5.12 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.

15.5.13 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.

15.5.14 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.

15.5.15 Insurance and investment contract liabilities

15.5.15.1 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.

15.5.15.2 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.

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.

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.

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.

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”.

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.

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.

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.

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.

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.

15.5.16 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.

15.5.17 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.

15.5.18 Lease contracts

15.5.18.1 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.

15.5.18.2 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.

15.5.19 Employee benefits

15.5.19.1 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.

15.5.19.2 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.

15.5.19.3 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.

15.5.19.4 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.

15.5.19.5 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.

15.5.20 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.

15.5.21 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:

15.5.21.1 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".

15.5.21.2 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.

15.5.21.3 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.

15.5.22 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.

15.5.23 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.

15.5.24 Application of IAS 8 - Correction intercompany eliminations

In 2021, the expense accounts of the other activities and the income accounts of the other activities were not subject to elimination following the intercompany relationship between Ethias SA and its subsidiary NRB. These two accounts were therefore over-estimated by 105 million euros. This change does not affect the result but gives rise to a reclassification between the two items mentioned above. As required by IAS 8, the information on 2021 must be modified. The tables concerned are: the consolidated income statement (14.2), sector information (15.7), net profit (loss) of other activities (17.4) and expenses by nature and allocation (17.7).

Consolidated income statement

In thousands of euros	31 December 2021	Adjustment	31 December 2021 adjusted
Gross premiums	2,766,869		2,766,869
Premiums ceded to reinsurers	(40,556)		(40,556)
Change in the provision for unearned premiums and outstanding risks (a)	230		230
Other income from insurance activities	4,404		4,404
Revenues from insurance activities (a)	**2,730,947**		**2,730,947**
Revenues from other activities	**522,519**	**(104,822)**	**417,697**
Net income from investments	395,005		395,005
Net realized gains or losses on investments	83,679		83,679
Change in fair value of investments through profit and loss (b)	143,296		143,296
Net financial income	621,980		621,980
NET REVENUES	**3,875,445**	**(104,822)**	**3,770,623**
Claims and insurance benefits	2,867,394		2,867,394
Net expenses or revenues ceded to reinsurers	(116,688)		(116,688)
Management costs (c)	326,181		326,181
Technical expenses for insurance activities	**3,076,887**		**3,076,887**
Expenses for other activities	**494,225**	**(104,822)**	**389,403**
Change in depreciation and amortization on investments (net)	13,246		13,246
Other investment financial expenses	18,363		18,363
Finance costs	27,810		27,810
Financial and financing expenses	59,419		59,419
NET EXPENSES	**3,630,532**	**(104,822)**	**3,525,710**
Goodwill impairment	-		-
NET PROFIT (LOSS) BEFORE TAX	**244,914**		**244,914**
Income taxes	(35,322)		(35,322)
NET PROFIT (LOSS) AFTER TAX	**209,592**		**209,592**
Share of the associated companies in the result	(430)		(430)
Net profit (loss) from discontinued operations	-		-
Net consolidated profit (loss)	**209,162**		**209,162**
Group’s share	188,970		188,970
Non-controlling interests	20,192		20,192

Sector information

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	ADJUSTMENTS Total Adjustments	Consolidated income statement IFRS 31 December 2021	ADJUSTMENTS Adjustment	Consolidated income statement IFRS 31 December 2021 adjusted
Gross premiums	808,583	1,324,544	595,745	49,881	-	2,778,752	-	(11,883)	2,766,869		2,766,869
Premiums ceded to reinsurers	(31,852)	(1,362)	(7,343)	-	-	(40,556)	-	-	(40,556)		(40,556)
Change in the provision for unearned premiums and outstanding risks (a)	717	-	(487)	-	-	230	-	-	230		230
Other income from insurance activities	872	697	317	2,527	-	4,413	-	(8)	4,404		4,404
Revenues from insurance activities (a)	**778,320**	**1,323,879**	**588,232**	**52,407**	**-**	**2,742,838**	**-**	**(11,891)**	**2,730,947**		**2,730,947**
Revenues from other activities	**-**	**-**	**-**	**-**	**18,273**	**18,273**	**594,032**	**(89,786)**	**522,519**	**(104,822)**	**417,697**
Net income from investments	84,920	415,475	29,968	36,025	(9,116)	557,272	59,028	(221,295)	395,005		395,005
Net realized gains or losses on investments	-	-	-	-	-	-	6,685	76,994	83,679		83,679
Change in fair value of investments through profit and loss (b)	-	-	-	-	-	-	17,712	125,584	143,296		143,296
Net financial income	**84,920**	**415,475**	**29,968**	**36,025**	**(9,116)**	**557,272**	**83,425**	**(18,717)**	**621,980**		**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**	**(104,822)**	**3,770,623**
Insurance service expenses	797,633	1,608,497	383,155	69,242	-	2,858,527	-	8,867	2,867,394		2,867,394
Net expenses or revenues ceded to reinsurers	(90,321)	(1,952)	(24,415)	-	-	(116,688)	-	-	(116,688)		(116,688)
Management costs (c)	155,228	36,456	139,318	13,584	-	344,586	-	(18,405)	326,181		326,181
Technical expenses for insurance activities	**862,539**	**1,643,002**	**498,058**	**82,826**	**-**	**3,086,425**	**-**	**(9,537)**	**3,076,887**		**3,076,887**
Expenses for other activities	**-**	**-**	**-**	**-**	**24,835**	**24,835**	**535,318**	**(65,927)**	**494,225**	**(104,822)**	**389,403**
Change in depreciation and amortization on investments (net)	-	-	-	-	-	-	14,525	(1,279)	13,246		13,246
Other investment financial expenses	-	-	-	-	-	-	7,005	11,357	18,363		18,363
Finance costs	-	-	-	-	-	-	12,368	15,443	27,810		27,810
Financial and financing expenses	**-**	**-**	**-**	**-**	**-**	**-**	**33,898**	**25,521**	**59,419**		**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**	**(104,822)**	**3,525,710**
Goodwill impairment	-	-	-	-	-	-	-	-	-		-
NET PROFIT (LOSS) BEFORE TAX	**700**	**96,353**	**120,142**	**5,605**	**(15,677)**	**207,124**	**108,241**	**(70,451)**	**244,914**		**244,914**
Income taxes and deferred taxes	-	-	-	-	(17,417)	(17,417)	(15,753)	(2,152)	(35,322)		(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**		**209,592**
Share of the associated companies in the result	-	-	-	-	-	-	-	(430)	(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**		**209,162**
Group's share						188,088	90,537	(89,654)	188,970		188,970
Non-controlling interests							-	20,192	20,192		20,192

Net profit (loss) of other activities

In thousands of euros	31 December 2021	Adjustment	31 December 2021 adjusted
Revenues of institutions not being insurance companies	492,903	(93,561)	399,342
Other revenues of institutions not being insurance companies	28,796	(11,262)	17,534
Other revenues related to insurance activities	820		820
Revenues from other activities	**522,519**	**(104,822)**	**417,697**
Operating expenses of institutions not being insurance companies	(428,737)	104,822	(323,915)
Operating expenses of institutions being insurance companies	(6,205)		(6,205)
Other revenues of institutions not being insurance companies	(30,266)		(30,266)
Other expenses of institutions being insurance companies	(29,018)		(29,018)
Expenses for other activities	**(494,225)**	**104,822**	**(389,403)**
Net profit (loss) of other activities	**28,294**		**28,294**

Expenses by nature and allocation

In thousands of euros	31 December 2021	Adjustment	31 December 2021 adjusted
Internal claim handling costs	104,082		104,082
Acquisition costs of contracts	82,509		82,509
Management costs	155,774		155,774
Management costs of investments	11,954		11,954
General costs related to other activities	434,942	(104,822)	330,120
Total of the overhead costs by allocation	**789,260**	**(104,822)**	**684,438**
Employee benefit expenses	349,395		349,395
Rental and leasing expenses	3,494		3,494
Expenses related to operational buildings	8,185		8,185
IT costs	134,599		134,599
Allocations, amortizations and provisions for other risks and expenses	19,781		19,781
Other expenses	279,826	(104,822)	175,004
Recovered overhead costs (-)	(6,020)		(6,020)
Total of the overhead costs by nature	**789,260**	**(104,822)**	**684,438**

15.5.25 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.

15.6. 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.

15.6.1 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 item 7.6.5 in section ***7. Risk management.***

15.6.2 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 section ***7***. ***Risk Management***, under point 7.5.1.2 for Non-Life and under point 7.5.2.2. for Life.

15.6.3 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 16.16.3.1 of section ***16. 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 16.16.3.2. in section ***16***. ***Note to the consolidated balance sheet.***

15.6.4 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 ***16***. ***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.

15.6.5 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 notes on provisions can be found under point 17 in section ***16***. ***Note relating to the consolidated balance sheet*** and the note on contingent liabilities can be found under point 5 of section ***18. Note relating to items not included in the balance sheet.***

15.7. 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 and the company NEB Participations 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 2022 and 2021 respectively are detailed below:

	PUBLIC & CORPORATE SECTOR		PRIVATE INDIVIDUALS		OTHERS	Statuory income statement B-Gaap	Statuory income statement B-Gaap	ADJUSTMENTS	Consolidated income statement IFRS
In thousands of euros	NON-LIFE	LIFE	NON-LIFE	LIFE	NON-TECHNICAL	Ethias SA	Subsidiaries	Total Adjustments	31 December 2022
Gross premiums	894,810	1,352,317	616,832	50,063	-	2,914,022	-	(17,606)	2,896,416
Premiums ceded to reinsurers	(33,190)	(1,643)	(10,903)	-	-	(45,736)	-	(13)	(45,749)
Change in the provision for unearned premiums and outstanding risks (a)	9,706	-	(8,570)	-	-	1,136	-	13	1,149
Other income from insurance activities	1,137	1,399	1,108	2,176	-	5,820	-	-	5,820
Revenues from insurance activities (a)	**872,463**	**1,352,073**	**598,467**	**52,239**	**-**	**2,875,242**	**-**	**(17,606)**	**2,857,636**
Revenues from other activities	**-**	**-**	**-**	**-**	**15,483**	**15,483**	**605,892**	**(196,328)**	**425,047**
Net income from investments	126,575	(54,250)	22,447	29,522	(9,566)	114,728	93,817	219,725	428,270
Net realized gains or losses on investments	-	-	-	-	-	-	983	11,281	12,263
Change in fair value of investments through profit and loss (b)	-	-	-	-	-	-	(29,288)	(290,027)	(319,315)
Net financial income	**126,575**	**(54,250)**	**22,447**	**29,522**	**(9,566)**	**114,728**	**65,512**	**(59,022)**	**121,218**
NET REVENUES	**999,038**	**1,297,823**	**620,913**	**81,761**	**5,917**	**3,005,453**	**671,404**	**(272,956)**	**3,403,901**
Insurance service expenses	807,689	1,185,514	379,116	62,357	-	2,434,676	-	(354,437)	2,080,239
Net expenses or revenues ceded to reinsurers	(42,105)	(60)	3,061	-	-	(39,104)	-	2	(39,103)
Management costs (c)	156,829	32,794	142,780	14,119	-	346,522	-	(9,117)	337,405
Technical expenses for insurance activities	**922,413**	**1,218,247**	**524,957**	**76,476**	**-**	**2,742,093**	**-**	**(363,552)**	**2,378,541**
Expenses for other activities	**-**	**-**	**-**	**-**	**25,892**	**25,892**	**568,296**	**(187,350)**	**406,838**
Change in depreciation and amortization on investments (net)	-	-	-	-	-	-	18,678	5,730	24,408
Other investment financial expenses	-	-	-	-	-	-	14,174	3,055	17,229
Finance costs	-	-	-	-	-	-	24,277	4,276	28,553
Financial and financing expenses	**-**	**-**	**-**	**-**	**-**	**-**	**57,128**	**13,062**	**70,190**
NET EXPENSES	**922,413**	**1,218,247**	**524,957**	**76,476**	**25,892**	**2,767,985**	**625,424**	**(537,840)**	**2,855,569**
Goodwill impairment	-	-	-	-	-	-	-	-	-
NET PROFIT (LOSS) BEFORE TAX	**76,625**	**79,577**	**95,956**	**5,285**	**(19,976)**	**237,468**	**45,980**	**264,885**	**548,332**
Income taxes and deferred taxes	-	-	-	-	(46,956)	(46,956)	(16,591)	(71,732)	(135,279)
Transfer/Charge to untaxed reserves	-	-	-	-	(1,956)	(1,956)	(1,992)	3,948	-
NET PROFIT (LOSS) AFTER TAX	**76,625**	**79,577**	**95,956**	**5,285**	**(68,888)**	**188,556**	**27,396**	**197,100**	**413,053**
Share of the associated companies in the result	-	-	-	-	-	-	-	(2,162)	(2,162)
Net profit (loss) from discontinued operations	-	-	-	-	-	-	-	-	-
Net consolidated profit (loss)	**76,625**	**79,577**	**95,956**	**5,285**	**(68,888)**	**188,556**	**27,396**	**194,938**	**410,891**
Group's share						188,556	27,396	181,647	397,599
Non-controlling interests							-	13,291	13,291

	PUBLIC & CORPORATE SECTOR		PRIVATE INDIVIDUALS		OTHERS	Statuory income statement B-Gaap	Statuory income statement B-Gaap	ADJUSTMENTS	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**	**(194,608)**	**417,697**
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**	**(225,217)**	**3,770,623**
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**	**(170,749)**	**389,403**
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**	**(154,766)**	**3,525,710**
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

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

* See note 15.5.24 Application of IAS 8 - Correction intercompany eliminations

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.

15.7.1 BGAAP Result of Ethias SA

Although the year 2022 sounded the end of the impacts related to the pandemic, it was marked from the start by the tensions between Ukraine and Russia, generating constant uncertainty and leading to historically high inflation levels. To this crisis, we must also add the adverse weather conditions of February, even if the severity of the losses is not comparable to what Belgium experienced during the 2021 floods.

The year 2022 recorded a net result of 191 million euros, i.e. an increase of 0.42 % compared to 2021. After withdrawals and transfer to untaxed reserves, the result to be appropriated amounts to 189 million euros.

Total income amounts to 2,914 million euros, i.e. an increase of 5% compared to the 2021 income, mainly driven by Non-Life insurance.

15.7.1.1 Non-Life

The result of Non-Life business amounts to 173 million euros.

Income amounts to 1,512 million euros and increases by 8% compared to 2021. It breaks down as follows between the segments "Private Individuals" and "Public Bodies & Companies":

- Income for Private Individuals increases by 4% compared to 2021 and amounts to 617 million euros;
- Income for Public Bodies & Companies amounts to 895 million euros and increases by 11% compared to 2021.

The adjusted net combined ratio (including recurring financial income from annuities) stands at 94.6% and is below the 95% target.

The result of the Non-Life activities is clearly up compared to the year 2021 (+43 %) which was strongly impacted by the July floods.

15.7.1.2 Life

The result of Life business amounts to 85 million euros.

Income at end-2022 is up by 2 % compared to 2021 and amounts to 1,402 million euros, including 50 million euros in Private Individuals and 1,352 million euros in Public Bodies & Companies.

- Income in Life Individuals increases by 0.37 % compared to 2021.
- Premium income for Life Public Bodies & Companies increases by 2.1% compared to 2021, mainly coming from the 1st pillar.

The good result of the Life business in 2022 is explained in particular by a good insurance technical result.

These good results made it possible to endow the provision for profit-sharing (net of taxes) with 32 million euros, mainly for ring-fenced funds from the 1st pillar.

The result of the Life business is down compared to 2021 (-17%) which was strongly impacted by non-recurring financial income.

15.7.1.3 Non-technical

The non-technical result before tax shows a negative contribution of 20 million euros, mainly due to the expense of subordinated loans and impairments on receivables. Tax expenses for the year amount to 47 million euros and benefit from deductions for income from innovation.

15.7.2 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 27.4 million euros. They are mainly composed of the results of NRB and its subsidiaries for 46 million euros and of NEB Participations for 11.3 million euros, partially compensated by Ethias Sustainable Investment Fund for -24.3 million euros and the real estate subsidiaries for -5.9 million euros.

15.7.3 Adjustments

Total adjustments amount to 194.9 million euros, of which 181.6 million euros in Group's share and 13.3 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 +322 million euros following the reversal of the additional provision and by +10.6 million euros following the cancellation of shadow accounting on products classified as FVPL. In Non-Life, the cancellation of the allocation to the equalization and catastrophe provision amounts to -1.3 million euros. At the subsidiaries, the cancellation of a provision decreases the result by -0.7 million euros.
- The application of IAS 39 leads to an adjustment on the result of financial instruments of -32.5 million euros.
- The application of IFRS 36 leads to an adjustment on the result of +3.5 million euros. This concerns the elimination of the amortization of goodwill recorded under BGAAP on Whestia, on Trasys and at Prodata.
- The elimination of dividends from subsidiaries amount to -40.7 million euros.
- Deferred taxes related to IFRS adjustments and consolidation adjustments impact the income statement by -67.7 million euros.
- Other adjustments: cancellation of intra-group revaluation (+5.7 million euros), cancellation of transfers and withdrawals from untaxed reserves (+3.9 million euros), adjustments on buildings (-14 million euros) and adjustment on leasings (-0.5 million euro).

15.8. Capital management

15.8.1 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 under item 13 of section ***16. Notes to the consolidated balance sheet.***

15.8.2 Solvency II margin level

The SCR coverage ratio ("SII margin") amounts to 170.10% at December 31, 2022 (after dividend) and 177.80% at December 31, 2021 (after dividend). This decrease (-7.70%) results on the one hand from a decrease in the SCR: the overall Solvency Capital Requirement goes from 1,599.6 million euros at December 31, 2021 to 1,396.6 million euros at December 31, 2022, i.e. a decrease in the SCR of 203.0 million euros; partly compensated by the decrease in equity: the equity eligible to cover the SCR decreases by 468 million euros between December 2021 and December 2022, going from 2,844 million euros at December 31, 2021 (after provisioned dividend of 105 million euros in 2021) to 2,376 million on December 31, 2022 (after provisioned dividend of 108 million euros in 2022).

At December 31, 2022, the SCR is composed in descending order of importance by the SCR Market, Non-Life, Health, Life, Operational and Default.

The MCR coverage ratio amounts to 291.19% at December 31, 2022.

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

16. Notes to the consolidated balance sheet

16.1. Goodwill

16.1.1 Evolution of goodwill

In thousands of euros	2022	2021
Gross value on 1 January	**74,079**	**71,593**
Accumulated impairment losses on 1 January	-	-
Net book value on 1 January	**74,079**	**71,593**
Acquisitions	2,572	2,486
Other changes	-	-
Net book value on 31 December	**76,651**	**74,079**

Goodwill was generated on:

- entities of the NRB subgroup, for 61.6 million euros;
- the acquisition of the Whestia entity ("outstanding balance" insurance portfolio) for 15.1 million euros.

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

In 2022, the acquisition of 100% of the shares in PDP/SDP by NRB generated goodwill of 2.6 million euros.

16.1.2 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 2022. 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 31/12/2022. 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.

16.2. Other intangible assets

In thousands of euros	2022		
	Software and IT developments	Other intangible assets	Total
Gross value on 1 January	**248,910**	**50,821**	**299,731**
Accumulated amortization on 1 January	(141,332)	(25,148)	(166,480)
Accumulated impairment losses on 1 January	(21,488)	-	(21,488)
Net book value on 1 January	**86,091**	**25,673**	**111,764**
Acquisitions	19,003	12,409	31,411
Disposals	(3)	-	(3)
Reclassifications	-	-	-
Change in the consolidation scope	24	-	24
Net amortization	(16,326)	(4,827)	(21,153)
Impairments	-	-	-
Other changes	-	-	-
Net book value on 31 December	**88,789**	**33,255**	**122,044**

In thousands of euros	2021		
	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**

16.3. Tangible fixed assets and investment properties

In thousands of euros	2022			
	Investment properties	Operational buildings	Other tangible fixed assets	Total
Gross value to be depreciated on 1 January	**589,747**	**69,005**	**95,516**	**754,268**
Acquisitions	2,430	231	5,070	7,732
Disposals and withdrawals	(251)	(4,727)	(2,306)	(7,284)
Properties held for sale	(18,442)	-	-	(18,442)
Change in the consolidation scope	-	-	20	20
Reclassifications from one heading to another	-	-	5,194	5,194
Other changes	-	-	-	-
Gross value on 31 December	**573,484**	**64,509**	**103,494**	**741,487**
Depreciations and accumulated impairments on 1 January	**(130,271)**	**(51,004)**	**(70,114)**	**(251,388)**
Depreciations of the financial year	(21,545)	(1,808)	(6,276)	(29.629)
Impairments of the financial year	-	-	-	-
Reversals of the financial year	-	-	-	-
Disposals and withdrawals	-	-	1,778	1,778
Reversals following disposals	90	4,284	453	4,826
Net impairment and reversal on properties held for sale	4,538	-	-	4,538
Change in the consolidation scope	-	-	(6)	(6)
Reclassifications from one heading to another	-	-	(5,194)	(5,194)
Other changes	-	-	-	-
Depreciations and accumulated impairments on 31 December	**(147,188)**	**(48,528)**	**(79,360)**	**(275,075)**
Net book value on 31 December	**426,296**	**15,981**	**24,134**	**466,411**
Fair value on 31 December	**635,248**	**47,116**	**24,134**	**706,497**

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 31 December	**643,375**	**47,437**	**25,402**	**716,214**

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.

16.4. Right-of-use of assets

In thousands of euros	2022			
	Immovable properties	IT equipment	Vehicles	Total
Gross value to be depreciated on 1 January	**48,941**	**11,531**	**39,392**	**99,865**
Acquisitions	576	-	9,366	9,942
Disposals and withdrawals	(147)	(3,998)	(6,579)	(10,724)
Remeasurement of lease obligations	(1,401)	-	588	(813)
Change in the consolidation scope	-	-	327	327
Reclassifications from one heading to another	-	(5,194)	-	(5,194)
Other changes	-	-	-	-
Gross value on 31 December	**47,970**	**2,339**	**43,093**	**93,402**
Depreciations and accumulated impairments on 1 January	**(8,925)**	**(9,486)**	**(19,114)**	**(37,524)**
Depreciations of the financial year	(8,399)	(1,546)	(10,015)	(19,959)
Impairments of the financial year	-	-	-	-
Reversals of the financial year	-	-	-	-
Disposals and withdrawals	-	-	-	-
Reversals following disposals	147	3,998	6,579	10,724
Change in the consolidation scope	-	-	-	-
Reclassifications from one heading to another	-	5,194	-	5,194
Other changes	-	-	-	-
Depreciations and accumulated impairments on 31 December	**(17,176)**	**(1,839)**	**(22,549)**	**(41,565)**
Net book value on 31 December	**30,793**	**500**	**20,544**	**51,837**

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

16.5. Investments in associated companies and joint ventures

16.5.1 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%	6,888	4,886	2,001	2,051	43
Cityforward	49.50%	114,621	62,501	52,120	2,257	1,120
Green4You	26.00%	4,818	4,318	500	760	71
Hamsterhuren II	21.69%	34,414	20,551	13,863	187	(579)
IMA Benelux	33.00%	8,013	6,891	1,122	11,973	165
NEB Participations	29.43%	363,542	18,282	345,260	11,570	11,344
Together Services	0.00%	-	-	-	1,627	42
WLP Holding	33.33%	170,486	96,266	74,220	3,572	(5,946)
WLP I	30.00%	30,186	27,250	2,936	2,251	268
WLP II	33.33%	17,490	12,672	4,819	1,207	143
WLP III	33.33%	110,712	89,187	21,525	12,382	(3,130)
WLP IV	33.33%	105,833	83,540	22,294	3,212	(3,138)
WLP VII	33.33%	40,594	30,730	9,864	1,905	(253)
WLP VIII	33.33%	14,928	14,974	(46)	941	(168)
WLP XI	33.33%	157,095	110,115	46,980	7,485	(4,056)
WLP CVH	33.33%	92,480	1,958	90,522	512	(1,274)
WLP CV	33.33%	55,993	1,534	54,459	49	(460)
Zabrixx I	48.90%	11,581	6,475	5,106	0	(66)
Total on 31 December 2022		**1,339,674**	**592,131**	**747,543**	**63,940**	**(5,871)**
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)**

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

In 2022, Ethias SA acquired 49.5% of Cityforward, 21.7% of Hamsterhuren II and 48.9% of Zabrixx I and WLP acquired additional shares in WLP I, raising its stake from 50% to 90%. In addition, NEB Participations, in which Ethias SA holds a 29.4% stake and which was included in the available-for-sale participating interests, has been included in the scope of consolidation. Finally, Ethias SA has sold shares in WLP Holding (holding percentage of 33% against 50% at December 31, 2021), and Together Services (until then 100% held) has been liquidated by NRB.

Belgium DC is 50% owned by NRB, IMA Benelux is 33% owned by Ethias SA and WLP Holding holds 100% of WLP II, III and VIII.

16.5.2 Evolution of investments in associated companies and joint ventures

In thousands of euros	2022	2021
Net book value on 1 January	**57,494**	**26,156**
Interests sold during the financial year	(19,383)	-
Interests acquired during the financial year	60,358	31,768
Share in the result of the financial year	(2,162)	(430)
Share in the other items of comprehensive income of the financial year	7,490	-
Dividends paid	(3,056)	-
Exchange rate differences	(1,453)	-
Change in the consolidation scope	99,178	-
Net book value on 31 December	**198,466**	**57,494**

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.

In 2022, the line "Change in the consolidation scope" includes the transfer of the participating interest in NEB Participations as of January 1, 2022, which was previously included in the available-for-sale participating interests.

16.6. Financial investments

16.6.1 Overview of financial investments by category

	31 December 2022					
In thousands of euros	Cost price	Impairments	Reassessment through other items of comprehensive income	Reassessment through profit or loss	Net book value	Fair value
Available for sale	40,577	(11,364)	13,078	-	42,292	42,292
Participating interests	**40,577**	**(11,364)**	**13,078**	**-**	**42,292**	**42,292**
Available for sale	369,613	(17,885)	85,195	-	436,923	436,923
Designated at fair value through profit or loss	126,023	-	-	(27,245)	98,778	98,778
Held for trading	-	-	-	-	-	-
Equities	**495,636**	**(17,885)**	**85,195**	**(27,245)**	**535,701**	**535,701**
Available for sale	329,761	(2,246)	65,332	-	392,847	392,847
Designated at fair value through profit or loss	23,151	-	-	(1,844)	21,307	21,307
Investment funds	**352,912**	**(2,246)**	**65,332**	**(1,844)**	**414,154**	**414,154**
Available for sale	13,160,805	(1,239)	(2,094,756)	-	11,064,809	11,064,809
Designated at fair value through profit or loss	206,883	-	-	(19,956)	186,926	186,926
Bonds	**13,367,687**	**(1,239)**	**(2,094,756)**	**(19,956)**	**11,251,736**	**11,251,736**
Loans and deposits	1,170,671	(90)	-	-	1,170,581	1,078,889
Other investments	**1,170,671**	**(90)**	**-**	**-**	**1,170,581**	**1,078,889**
Held for trading	2,601	-	-	2,370	4,971	4,971
Held for hedging purposes	-	-	367,907	-	367,907	367,907
Derivative financial assets	**2,601**	**-**	**367,907**	**2,370**	**372,878**	**372,878**
Investments belonging to unit-linked insurance contracts	**1,669,461**	**-**	**-**	**(60,158)**	**1,609,303**	**1,609,303**
Total	**17,099,545**	**(32,824)**	**(1,563,243)**	**(106,833)**	**15,396,644**	**15,304,953**

In thousands of euros	31 December 2021					
	Cost price	Impairments	Reassessment through other items of compre-hensive 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**

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.

16.6.2 Evolution of financial investments

	2022						
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 instru-ments (assets)	Investments belonging to unit-linked insurance contracts	Total
Opening balance on 1 January	**15,959,804**	**433,933**	**14,974**	**884,905**	**25,852**	**1,778,054**	**19,097,522**
Acquisitions	2,056,877	57,248	36,328	679,312	3,874	634,082	3,467,720
Reclassifications between categories	(95,962)	-	-	-	-	-	(95,962)
De-recognition following exercise option	-	-	-	-	(54,271)	-	(54,271)
Profits and losses realized on hedging instruments not yet transferred to profit or loss	825	-	-	-	(825)	-	-
Disposals and reimbursements	(2,516,293)	(128,463)	(50,866)	(392,067)	(6,581)	(533,315)	(3,627,585)
Foreign currency translation differences on monetary assets	-	-	-	-	-	-	-
Adjustment at fair value	(3,458,925)	(55,495)	(435)	-	404,828	(266,478)	(3,376,506)
Amortizations	22,369	822	-	-	-	(2,371)	20,820
Changes in accrued interests not yet due	(21,341)	(1,033)	-	(1,494)	-	(669)	(24,537)
Impairments	(10,482)	-	-	(76)	-	-	(10,558)
Change in the consolidation scope	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-
Net book value on 31 December	**11,936,871**	**307,011**	**-**	**1,170,581**	**372,878**	**1,609,303**	**15,396,644**

	2021						
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 instru-ments (assets)	Investments belonging to unit-linked insurance contracts	Total
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**

Adjustments to the fair value for derivatives (assets) break down into 402.5 million euros for derivative hedging instruments (against 20.6 million euros in December 2021) and 2.4 million euros for derivative trading instruments (against -0.2 million euros in December 2021).

The 2022 acquisitions include the loans agreed in the protocol signed with the Regions regarding the flooding for a total of 83 million euros (see item 1.3 of section ***II. Report of the Board of Directors*** on the 2021 Annual Report).

16.6.3 Evolution of impairments on investments

16.6.3.1 Impairment on available-for-sale investments

In thousands of euros	2022	2021
Balance on 1 January	**(30,122)**	**(32,501)**
Provision for impairments	(10,482)	(2,818)
Reversals of impairments	-	-
Reversals due to disposals	7,710	5,197
Change in the consolidation scope	-	-
Reclassifications	160	-
Other changes	-	-
Balance on 31 December	**(32,734)**	**(30,122)**

16.6.3.2 Impairments on loans, deposits and other financial investments

In thousands of euros	2022	2021
Balance on 1 January	**(14)**	**(94)**
Provision for impairments	(99)	(11)
Reversals of impairments	24	90
Reversals due to disposals	-	-
Change in the consolidation scope	-	-
Reclassifications	-	-
Other changes	-	-
Balance on 31 December	**(90)**	**(14)**

16.6.3.3 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 2022							
					Net book value of unimpaired assets based on the following periods:			
In thousands of euros	Book value before impairment	Impairments	Net book value	Net book value of impaired assets	Not expired	Expired by up to 6 months	Expired less than 12 months	Expired by more than 12 months
Available-for-sale investments	11,066,049	(1,239)	11,064,809	-	11,064,809	-	-	-
Held-to-maturity financial assets	-	-	-	-	-	-	-	-
Financial assets unlisted on an active market	-	-	-	-	-	-	-	-
Loans, deposits and other financial investments	1,170,671	(90)	1,170,581	100	1,169,187	717	414	163
Total	**12,236,720**	**(1,330)**	**12,235,390**	**100**	**12,233,996**	**717**	**414**	**163**

	31 December 2021							
					Net book value of unimpaired assets based on the following periods:			
In thousands of euros	Book value before impairment	Impairments	Net book value	Net book value of impaired assets	Not expired	Expired by up to 6 months	Expired less than 12 months	Expired by more than 12 months
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**

16.6.4 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:

	31 December 2022			
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
Financial assets				
Available for sale	3	-	42,289	42,292
Participating interests	**3**	**-**	**42,289**	**42,292**
Available for sale	350,189	-	86,735	436,923
Designated at fair value through profit or loss	98,778	-	-	98,778
Held for trading	-	-	-	-
Equities	**448,967**	**-**	**86,735**	**535,701**
Available for sale	127,072	20,017	245,757	392,847
Designated at fair value through profit or loss	21,307	-	-	21,307
Held for trading	-	-	-	-
Investment funds	**148,379**	**20,017**	**245,757**	**414,154**
Available for sale	9,451,518	1,361,407	251,884	11,064,809
Designated at fair value through profit or loss	49,920	127,056	9,951	186,926
Held for trading	-	-	-	-
Bonds	**9,501,437**	**1.488,463**	**261,835**	**11.251,736**
Held for trading	283	4,688	-	4,971
Held for hedging purposes	-	367,907	-	367,907
Derivative financial assets	**283**	**372,595**	**-**	**372,878**
Investments belonging to unit-linked insurance contracts	**1,584,223**	**23,699**	**1,381**	**1,609,303**
Total financial assets	**11,683,292**	**1,904,774**	**637,997**	**14,226,063**
Financial liabilities				
Investment contracts hedged by assets at fair value	**1,587,482**	**23,699**	**1,381**	**1,612,562**
Held for trading	-	278	-	278
Held for hedging purposes	-	238,543	-	238,543
Derivative financial liabilities	**-**	**238,821**	**-**	**238,821**
Total financial liabilities	**1,587,482**	**262,520**	**1,381**	**1,851,383**

In thousands of euros	31 December 2021			
	Level 1 Listed prices on an active market	Level 2 Valuation methods based on observable market data	Level 3 Valuation methods not based on observ-able market data	Net book value
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**

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.

16.6.5 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 pure 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 bond category in level 3 also contains debt funds whose prices are prices received from counterparties. The total of this category goes from 262 million euros at December 31, 2021 to 236 million euros at December 31, 2022. It consists mainly of debt funds for an amount of 238 million euros.

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),
- Either on the Net Asset of the participating interest for other companies. The valuation of these assets classified in level 3 stands at 288 million euros at December 31, 2022 compared with 311 million euros at December 31, 2021.

Other assets valued in level 3 are subject to market risks depending on their nature. Indeed, debt funds will be sensitive to interest rates and spreads while funds with underlying equity or infrastructure will be sensitive to the equity market in general.

In 2022, NEB Participations was reclassified from available-for-sale participating interest to investments in associates.

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

In thousands of euros	31 December 2022		31 December 2021	
	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	191,683	92,513	80,327	179,785
Designated at fair value through profit or loss	-	-	-	-
Held for trading	-	-	-	-
Bonds	**191,683**	**92,513**	**80,327**	**179,785**
Held for trading	-	-	-	-
Held for hedging purposes	-	-	-	-
Derivative financial assets	**-**	**-**	**-**	**-**
Investments belonging to unit-linked insurance contracts	**2,000**	**310**	**-**	**1,803**
Total financial assets	**193,682**	**92,823**	**80,327**	**181,588**
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 (92.5 million euros at end-2022) 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 191.7 million euros at end-2022) involve securities that were valued by BGN (generic Bloomberg) and that are currently valued by the market price given by a counterparty.

16.6.7 Evolution of investments estimated at fair value in level 3

In thousands of euros	2022		
	Available-for-sale investments	Financial assets at fair value through profit or loss	Total
Opening balance on 1 January	**610,371**	**10,388**	**620,759**
Acquisitions	177,663	-	177,663
Reclassifications between categories	(133,820)	-	(133,820)
Reclassification to level 3	-	-	-
Exit from level 3	(4,113)	-	(4,113)
Disposals and reimbursements	(40,990)	-	(40,990)
Adjustment at fair value through equity	17,403	-	17,403
Adjustment at fair value through profit or loss	-	(475)	(475)
Depreciation (premiums/discounts)	510	-	510
Changes in accrued interests not yet due	(45)	38	(7)
Impairments through profit or loss	(313)	-	(313)
Other changes	-	-	-
Closing balance on 31 December	**626,665**	**9,951**	**636,616**

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**

The amount of acquisitions (177.7 million euros - AFS) mainly includes acquisitions and capital increases of funds (74 million euros), participating interests (7.5 million euros) and bond funds (95.7 million euros):

- Participating interests: 7.5 million euros, including 5 million for Eiffage and Epico II Wind;
- Fund: 74.4 million, including 49.6 million euros of acquisitions (mainly Core Infra Fund III SCS for 18.9 million euros, MEIF6 for 11.7 million euros, SODEVIMMO for 5 million euros, PEARL for 4 million euros) and 24.7 million euros of capital increases (mainly INFRAGREEN IV for 15 million euros, and CAPENERGIE 4 for 5 million euros);
- Bond funds for 95.7 million euros

Disposals and reimbursements (41 million euros - AFS) are explained by the reimbursement of the HPF1 fund for 14.4 million euros and the reimbursements of infrastructure and private equity funds for 26.6 million euros, including 21.7 million euros for bond funds.

16.7. Derivative financial instruments

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

	31 December 2022					
	Maturity dates			Total nominal value	Positive fair value	Negative fair value
In thousands of euros	‹ 1 year	Between 1 and 5 years	› 5 year			
Interest rate swaps	-	500,000	-	500,000	3,402	-
Options on interest rates	-	-	-	-	-	-
Forward bonds	-	-	-	-	-	-
Options on shares or indices	171,130	-	-	171,171	1,569	(278)
Credit swaps	-	-	-	-	-	-
Subtotal held for trading	**171,130**	**500,000**	**-**	**671,171**	**4,971**	**(278)**
Interest rate swaps	-	-	-	-	-	-
Forward bonds	1,501,973	1,779,486	-	3,281,459	367,907	(238,543)
Forward swaps	-	-	-	-	-	-
Subtotal held for hedging	**1,501,973**	**1,779,486**	**-**	**3,281,459**	**367,907**	**(238,543)**
Total	**1,673,104**	**2,279,486**	**-**	**3,952,630**	**372,878**	**(238,821)**

	31 December 2021					
	Maturity dates			Total nominal value	Positive fair value	Negative fair value
In thousands of euros	‹ 1 year	Between 1 and 5 years	› 5 year			
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)**

The hedging solution against the spreads widening has expanded compared to 2021 (3,281 million euros in nominal value versus 621 million euros at end-2021). This solution reduces the volatility of our equity in economic value.

At end-2022, inflation swaps were also concluded for a nominal value of 500 million euros.

As regards spread hedging, initial costs for a total stock of 3.6 million euros at end-2022 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.

16.8. Deferred tax assets and liabilities

16.8.1 Breakdown of deferred tax assets and liabilities

In thousands of euros	31 December 2022		
	Deferred tax assets	Deferred tax liabilities	Net deferred taxes
Available-for-sale investments through profit or loss	-	902	(902)
Available-for-sale investments in other items of comprehensive income	481,955	33,237	448,718
Financial assets designated at fair value through profit or loss	8,702	30	8,672
Insurance and investment liabilities in other items of comprehensive income	-	-	-
Insurance and investment liabilities through profit or loss	3,817	-	3,817
Employee benefits in other items of comprehensive income	11	610	(599)
Employee benefits through profit or loss	516	1,669	(1,153)
Other sources of other items of comprehensive income	-	-	-
Other sources through profit or loss	9	29,889	(29,880)
Carried forward tax losses	556	-	556
Gross deferred tax assets and liabilities	**495,565**	**66,337**	**429,229**
Compensation through taxable entity	(38,845)	(38,845)	-
Net deferred tax assets and liabilities	**456,720**	**27,491**	**429,229**

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)**

Net deferred taxes amount to 429.2 million euros (compared to -37.5 million euros at 31/12/2021). This change of +466.7 million change is mainly due to the change in deferred taxes on revaluations of investments classified as AFS (+813.9 million euros), partially offset by the change in deferred taxes on technical provisions (-341 million euros) and the change in deferred taxes on provisions for pension commitments (-15.6 million euros).

16.8.2 Evolution of deferred tax assets and liabilities

In thousands of euros	2022			2021		
	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**	**37,730**	**(37,496)**	**234**	**87,295**	**(87,061)**
Changes through profit or loss	8,367	87,962	(79,594)	66	1,624	(1,559)
Change in other items of comprehensive income	448,119	(97,896)	546,015	-	(50,335)	50,335
Change in scope	-	-	-	(66)	(854)	789
Other changes	-	(304)	304	-	-	-
Net book value on 31 December	**456,720**	**27,491**	**429,229**	**234**	**37,730**	**(37,496)**

16.9. Receivables

16.9.1 Breakdown of receivables by nature

In thousands of euros	31 December 2022		
	Gross value	Impairment	Net book value
Receivables arising from direct insurance operations and accepted reinsurance	256,068	(22,561)	233,508
Receivables arising from ceded reinsurance operations	145,708	-	145,708
Receivables arising from other operations	107,314	(2,737)	104,577
Tax receivables	9,288	-	9,288
Other receivables	106,815	(1,793)	105,022
Total	**625,193**	**(27,091)**	**598,102**

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**

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.

16.9.2 Evolution of impairments on receivables

In thousands of euros	2022	2021
Impairments on receivables on 1 January	**(23,591)**	**(31,414)**
Provisions of the financial year	(17,377)	(8,625)
Expenditures of the financial year	10,960	6,922
Reversals of the financial year	3,178	10,178
Changes in the consolidation scope	-	(202)
Other changes	(261)	(450)
Impairments on receivables on 31 December	**(27,091)**	**(23,591)**

16.9.3 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 2022							
					Net book value of unimpaired assets based on the following periods:			
In thousands of euros	Book value before impairment	Impairments	Net book value	Net book value of impaired assets	Not expired	Expired by up to 6 months	Expired less than 12 months	Expired by more than 12 months
Receivables arising from insurance operations or accepted reinsurance	256,068	(22,561)	233,508	-	99,708	117,757	14,952	1,091
Receivables arising from ceded reinsurance operations	145,708	-	145,708	-	145,708	-	-	-
Other receivables	223,416	(4,530)	218,.886	-	208,513	8,179	2,048	147
Total	**625,193**	**(27,091)**	**598,102**	**-**	**453,929**	**125,936**	**17,000**	**1,238**

	31 December 2021							
					Net book value of unimpaired assets based on the following periods:			
In thousands of euros	Book value before impairment	Impairments	Net book value	Net book value of impaired assets	Not expired	Expired by up to 6 months	Expired less than 12 months	Expired by more than 12 months
Receivables arising from insurance operations or accepted reinsurance	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**

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

16.10. Any other assets

In thousands of euros	31 December 2022	31 December 2021
Interest and rent accrued but not yet due	976	835
Other accruals	18,827	17,651
Any other assets	20,525	29,880
Total	**40,328**	**48,366**

16.11. Cash and cash equivalents

In thousands of euros	31 December 2022	31 December 2021
Cash at bank and in hand	567,918	434,439
Cash equivalents	109,818	20,861
Total of the cash and cash equivalents	**677,736**	**455,300**
Payables arising from repurchase operations (repo)	(419,355)	(725,260)
Bank overdraft and other debts included in the cash flow statement	(126,012)	(1,067)
Cash and cash equivalents regarding the groups intended to be transferred	5	-
Total of the repurchase operations, cash and cash equivalents in the cash flow statement	**132,374**	**(271,027)**

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.

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

In thousands of euros	31 December 2022	31 December 2021
Investment properties	13,904	-
Cash and cash equivalents	5	-
Deferred tax liabilities	(304)	-
Total	**13,605**	-

In 2022, Ethias decided to put its subsidiary Het Gehucht up for sale.

16.13. Equity

16.13.1 Subscribed capital

The capital issued and paid on 31 December 2022 amounts to 1,000 million euros. It is represented by 20 million shares without indication of the nominal value.

	31 December 2022	
	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**

16.13.2 Other items of comprehensive income

The statement of comprehensive income is presented under item 3 in section ***14. Consolidated financial statements.***

16.13.2.1 Evolution of the revaluation reserve of the available-for-sale financial assets

In thousands of euros	2022	2021
Net book value on 1 January	**525,014**	**602,804**
Revaluation	(3,458,925)	(536,233)
Related taxes	837,588	152,939
Shadow accounting	1,026,803	458,264
Related taxes	(256,701)	(114,566)
Transfer resulting from disposals or impairments	(42,155)	(50,923)
Related taxes	10,539	12,731
Change in the consolidation scope	(1,059)	-
Other changes	(76,752)	-
Net book value on 31 December	**(1,435,647)**	**525,014**

The line “Other changes” includes the transfer of the revaluation reserve of NEB Participations from available-for-sale assets to associates.

16.13.2.2 Evolution of the reserve for actuarial losses and profits on retirement benefit obligations

In thousands of euros	2022	2021
Net book value on 1 January	**(25,755)**	**(51,706)**
Recognized actuarial profits and losses	46,500	34,601
Related taxes	(11,625)	(8,650)
Other changes	-	-
Net book value on 31 December	**9,121**	**(25,755)**

The increase in actuarial gains and losses recognized in 2022 is explained by the increase in the discount rate and the positive impact of the change in the assumed development of employee remuneration, partially offset by the increase in the inflation rate.

16.13.2.3 Evolution of the reserve for hedge accounting

In thousands of euros	2022	2021
Net book value on 1 January	**24,975**	**48,018**
Revaluation	132,159	(4,482)
Related taxes	(34,377)	1,271
De-recognition following exercise option	-	(24,065)
Related taxes	-	6,016
Profits and losses realized on hedging instruments not yet transferred to profit or loss	-	-
Related taxes	-	-
Amortizations	(2,366)	(2,379)
Related taxes	592	595
Other changes	-	-
Net book value on 31 December	**120,982**	**24,975**

With regard to the bond futures, 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).

16.13.2.4 Changes in the revaluation reserve of associates

In thousands of euros	2022	2021
Net book value on 1 January	-	-
Revaluation	7,490	-
Related taxes	-	-
Shadow accounting	-	-
Related taxes	-	-
Transfer resulting from disposals or impairments	-	-
Related taxes	-	-
Other changes	76,752	-
Net book value on 31 December	**84,242**	-

The line “Other changes” includes the transfer of the revaluation reserve of NEB Participations from available-for-sale assets to associates.

16.13.2.5 Changes in foreign currency translation differences

The balance of currency translation differences is -1.5 million euros as of December 31, 2022. In 2021, there were no currency translation differences.

16.14. Insurance and investment contract liabilities

16.14.1 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.

16.14.1.1 Liabilities related to Non-Life insurance contracts

In thousands of euros	31 December 2022	31 December 2021
Mathematical provisions	1,105,976	1,014,654
Provisions for unearned premiums	294,668	295,804
Claims provisions	2,796,772	2,700,010
Shadow accounting	-	-
Other provisions	180,842	206,019
Total insurance contract liabilities (gross)	**4,378,258**	**4,216,487**
Reinsurers' share in liabilities related to Non-Life insurance contracts	223,322	222,806
Total insurance contract liabilities (after deduction of the reinsurers' share)	**4,154,936**	**3,993,681**

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

The increase in claims provisions is mainly explained by the high inflation incurred and the storms in February, partially offset by the decrease in the risk margin.

16.14.1.2 Liabilities related to Life insurance contracts

In thousands of euros	31 December 2022	31 December 2021
Mathematical provisions	3,982,150	4,241,237
Claims provisions	-	-
Shadow accounting	-	**581,250**
Other provisions	-	-
Insurance contract liabilities	**3,982,150**	**4,822,487**
Liabilities related to unit-linked insurance contracts	443,080	482,007
Total insurance contract liabilities (gross)	**4,425,230**	**5,304,495**
Reinsurers' share in liabilities related to Life insurance contracts	1,479	2,923
Total insurance contract liabilities (after deduction of the reinsurers' share)	**4,423,751**	**5,301,571**

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 explained by the macro-economic environment which impacts the LAT test result on two levels: (1) due to the rise in interest rates, the previously allocated unrealized gains have turned into unrealized losses; therefore, there is no longer any shadow accounting, and (2) furthermore, the additional provision of 201 million euros has been reversed as it was no longer necessary.

16.14.1.3 Investment contract liabilities

In thousands of euros	31 December 2022	31 December 2021
Mathematical provisions	4,383,766	4,443,237
Claims provisions	-	-
Shadow accounting	-	456,457
Investment contract liabilities with discretionary participation features	**4,383,766**	**4,899,693**
Liabilities related to unit-linked investment contracts with discretionary participation features	**1,147,612**	**1,277,325**
Mathematical provisions	3,259	3,244
Investment contract liabilities without discretionary participation features	**3,259**	**3,244**
Liabilities related to unit-linked investment contracts without discretionary participation features	**18,611**	**18,721**
Total investment contract liabilities (gross)	**5,553,248**	**6,198,984**
Reinsurers' share in investment contract liabilities with discretionary participation features	-	-
Total investment contract liabilities (after deduction of the reinsurers' share)	**5.553,248**	**6,198,984**

The decrease in liabilities related to investment contracts is explained by the macro-economic environment which impacts the LAT test result on two levels: (1) due to the rise in interest rates, the previously allocated unrealized gains have turned into unrealized losses; therefore, there is no longer any shadow accounting, and (2) furthermore, the additional provision of 121 million euros has been reversed as it was no longer necessary.

16.14.1.4 Profit sharing liabilities

In thousands of euros	31 December 2022	31 December 2021
Profit sharing related to Non-Life insurance contracts	-	-
Profit sharing related to Life insurance contracts	3,932	3,986
Profit sharing related to investment contracts	31,744	39,113
Liabilities for profit sharing of policyholders	**35,676**	**43,099**

16.14.2 Evolution of liabilities related to Non-Life insurance contracts

16.14.2.1 Evolution of gross values before reinsurance

In thousands of euros	2022	2021
Insurance contract liabilities on 1 January	**4,216,487**	**4.002,723**
Claims paid in the previous years	(406,858)	(359,425)
Change in claim costs compared to the previous financial years	(108,106)	(101,386)
Addition to liabilities on claims of the current year	611,727	628,330
Transfer of received/ceded reserves	-	-
Change in gross reserves for unearned premiums	(1,110)	(568)
Shadow accounting	-	-
Other changes	66,119	46,813
Insurance contract liabilities on 31 December	**4.378,258**	**4.216,487**

Other changes in reserves mainly include changes in mathematical provisions.

16.14.2.2 Evolution of the reinsurers' share

In thousands of euros	2022	2021
Reinsurers' share in insurance contract liabilities on 1 January	**222,806**	**156,291**
Reinsurers' share in claims costs	(22,807)	(5,589)
Change in claim costs compared to the previous financial years	30,691	63,861
Addition to liabilities on claims of the current year	(7,381)	8,656
Other changes in reserves	13	(413)
Reinsurers' share in insurance contract liabilities on 31 December	**223,322**	**222,806**

16.14.2.3 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.

In thousands of euros	Claims occurrence years									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Provisions for gross claims on the closing date	**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**	**2,555,552**
Accumulated payments:										
2014	392,400									
2015	529,082	317,918								
2016	652,016	483,331	338,794							
2017	747,095	590,706	466,909	310,154						
2018	828,395	687,415	583,283	466,862	365,399					
2019	887,010	756,142	665,950	573,091	515,840	380,603				
2020	943,619	820,365	743,635	669,022	633,816	551,874	422,469			
2021	982,170	866,931	800,662	740,801	722,488	670,385	601,494	359,425		
2022	1,018,570	910,478	852,655	802,745	799,013	768,139	733,888	540,652	406,858	
Revaluated reserves:										
2014	1,944,985									
2015	1,817,847	1,890,299								
2016	1,707,645	1,731,871	1,880,139							
2017	1,631,421	1,620,225	1,706,555	1,847,647						
2018	1,597,015	1,574,840	1,623,482	1,721,569	1,988,529					
2019	1,580,048	1,546,365	1,593,903	1,675,555	1,920,411	2,097,752				
2020	1,578,086	1,539,465	1,578,858	1,652,732	1,880,588	2,029,127	2,250,484			
2021	1,589,273	1,551,910	1,585,340	1,661,968	1,798,945	1,952,069	2,132,059	2,204,145		
2022	1,541,062	1,496,162	1,518,544	1,584,420	1,713,201	1,853,814	2,011,872	2,034,957	2,350,683	
Current claim liabilities	**522,492**	**585,683**	**665,890**	**781,674**	**914,189**	**1,085,675**	**1,277,984**	**1,494,305**	**1,943,825**	**2,555,552**
Surplus (insufficiency) of the initial provision compared to the estimated cost price on 31 December 2022:										
In nominal value	569,933	596,333	585,500	492,235	462,714	365,574	300,366	278,501	122,366	
In percent	27.00%	28.50%	27.83%	23.70%	21.27%	16.47%	12.99%	12.04%	4.95%	
Other liabilities for claims related to Non-Life insurance contracts										241,220
Total of the provisions for claims related to Non-Life insurance contracts										**2,796,772**

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

16.14.3 Evolution of liabilities related to Life insurance contracts (without unit-linked insurance contracts)

16.14.3.1 Evolution of gross values before reinsurance

In thousands of euros	2022	2021
Insurance contract liabilities on 1 January	**4,822,487**	**5,064,554**
Premiums	256,024	223,339
Benefits	(320,878)	(296,002)
Time value	86,405	90,594
Internal transfers	(42,142)	(9,360)
Transfer of received/ceded reserves	(1,141)	160,392
Shadow accounting	(581,250)	(279,693)
Other changes in reserves	(237,354)	(131,336)
Insurance contract liabilities on 31 December	**3,982,150**	**4,822,487**

In 2022, the adequacy test of the technical provisions resulted in a reversal of the previously constituted additional provision of 322 million euros.

16.14.3.2 Evolution of the reinsurers' share

In thousands of euros	2022	2021
Reinsurers' share in insurance contract liabilities on 1 January	**2,923**	**1,311**
Ceded premiums	-	-
Reinsurers' share in claims costs	-	-
Reinsurers' share in time value	-	-
Transfers	-	-
Other changes in reserves	(1,444)	1,612
Reinsurers' share in insurance contract liabilities on 31 December	**1,479**	**2,923**

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

16.14.4.1 Evolution of gross values before reinsurance

In thousands of euros	2022	2021
Investment contract liabilities on 1 January	**4,899,693**	**4,997,580**
Premiums	1,110,014	1,128,986
Benefits	(1,117,620)	(1,129,100)
Time value	34,998	37,382
Internal transfers	(77,288)	(137,130)
Transfer of received/ceded reserves	75,380	159,097
Shadow accounting	(456,457)	(164,310)
Other changes in reserves	(84,954)	7,189
Investment contract liabilities on 31 December	**4,383,766**	**4,899,693**

The Group did not conclude a reinsurance agreement within the framework of its investment contracts.

16.14.5 Evolution of liabilities related to unit-linked insurance contracts

In thousands of euros	2022	2021
Liabilities related to unit-linked insurance contracts on 1 January	**1,778,054**	**1,491,140**
Premiums	12,042	3,465
Benefits	(38,729)	(623)
Revaluation of the provisions	(267,647)	137,603
Technical result and other transfers	-	-
Internal transfers	11,331	(13,987)
Transfer of received/ceded reserves	114,925	160,477
Other changes in reserves	(674)	(21)
Liabilities related to unit-linked insurance contracts on 31 December	**1,609,303**	**1,778,054**

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 11 million euros. An amount of 115 million euros in external transfers was received.

16.14.6 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 item 6 of section ***15. 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.

In 2022, the macroeconomic environment impacts the LAT test result on two levels:

- due to the rise in interest rates, the previously allocated unrealized gains have turned into unrealized losses; therefore, there is no longer any shadow accounting, and
- the additional provision of 322 million euros, taking into account a security margin of 81 million euros, was reversed as it was no longer necessary.

The tests carried out at end-2022 confirmed the adequacy of the liabilities recognized.

16.15. Financial debts

16.15.1 Changes in financial debts

In thousands of euros	2022			
	Subordinated debts	Lease obligations	Other financial debts	Total
Opening balance on 1 January	**491,107**	**61,512**	**771,577**	**1,324,195**
Issuances	-	9,939	(699)	9,240
Remeasurement	-	(813)	-	(813)
Interests payable	22,599	345	107	23,051
Repayments	(22,599)	(20,797)	(6,696)	(50,092)
Foreign currency translation differences on monetary assets	-	-	-	-
Amortizations	3,684	-	-	3,684
Changes in accrued interests not yet due	315	-	1,504	1,819
Issuances of payables arising from repurchase operations (repo)	-	-	622,245	622,245
Repayments of payables arising from repurchase operations (repo)	-	-	(931,320)	(931,320)
Change in bank overdrafts and other debts included in the cash flow statement	-	-	124,945	124,945
Change in the consolidation scope	-	327	-	327
Reclassifications between categories	-	-	1,666	1,666
Other changes	-	-	-	-
Net book value on 31 December	**495,106**	**50,513**	**583,327**	**1,128,946**

In thousands of euros	2021			
	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**

16.15.2 Ventilation par nature

In thousands of euros	31 December 2022		31 December 2021	
	Balance value	Fair value	Balance value	Fair value
Convertible subordinated bond loans	-	-	-	-
Non-convertible subordinated bond loans	495,106	500,301	491,107	575,564
Subordinated debts	**495,106**	**500,301**	**491,107**	**575,564**
Lease obligations	**50,513**	**50,513**	**61,512**	**61,512**
Convertible bond loans	-	-	-	-
Non-convertible bond loans	-	-	-	-
Bank overdrafts	82	82	47	47
Payables arising from repurchase operations (repo)	419,355	419,355	725,260	725,260
Collateral received as guarantee	125,930	125,930	1,020	1,020
Others	37,961	37,961	45,249	45,249
Other financial debts	**583,327**	**583,327**	**771,577**	**771,577**
Total of the financial debts	**1.128,946**	**1.134,141**	**1,324,195**	**1,408,652**

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.

16.15.3 Breakdown by maturity

In thousands of euros	31 December 2022				
	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	95,002	389,604	10,500	-	495,106
Subordinated debts	**95,002**	**389,604**	**10,500**	**-**	**495,106**
Lease obligations	**17,581**	**27,686**	**5,246**	**-**	**50,513**
Convertible bond loans	-	-	-	-	-
Non-convertible bond loans	-	-	-	-	-
Bank overdrafts	82	-	-	-	82
Payables arising from repurchase operations (repo)	419,355	-	-	-	419,355
Collateral received as guarantee	125,930	-	-	-	125,930
Others	7,986	14,923	9,570	5,481	37,961
Other financial debts	**553,353**	**14,923**	**9,570**	**5,481**	**583,327**
Total of the financial debts	**665,936**	**432,213**	**25,316**	**5,481**	**1,128,946**

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**

The item "maturities less than 1 year" of the bond loans consists of accrued interest not yet due (20 million euros at December 31, 2022) and the bond loan issued in 2005 with a 2023 maturity (75 million euros at December 31, 2022).

The amortization of issue costs on the non-convertible subordinated bond amounts to 3.7 million euros as of December 31, 2022 (compared to 3.8 million euros as of December 31, 2021).

16.16. Employee benefits

16.16.1 Description of the employee benefits

16.16.1.1 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. 0.2 million euros.

The Group remains its own insurer for a bond amounting to 166 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 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.

16.16.1.2 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, among others, long-term compensated absences, long-service bonuses, 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 as well as new end-of-career plans signed in 2022.

16.16.1.3 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.

16.16.2 Overview of employee benefits by nature

The debt for employee benefits is analysed as follows:

In thousands of *euros*	31 December 2022	31 December 2021
Post-employment benefits	165,797	211,413
Long-term employee benefits	22,138	30,074
Termination benefits	1,713	1,781
Total	**189,647**	**243,268**

The current value of the financed bonds amounts to 342 million euros (the fair value of the assets is 342 million euros) and that of the non-financed bonds is 189 million euros.

Amounts of the projected benefits:

In thousands of euros	2023	2022
Post-employment benefits	28,115	20,517
Long-term employee benefits	7,336	10,506
Termination benefits	-	-
Total	**35,451**	**31,023**

16.16.3 Actuarial assumptions and sensitivity analysis

16.16.3.1 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 2022	31 December 2021
Discount rate according to duration:		
3 years	3.44%	0.00%
10 years	3.70%	0.71%
15 years	3.82%	1.07%
25 years	3.91%	1.23%
Expected wage increase	0,32%/1,07%/0,65%	0.65%
Inflation rate	2.20%	1.80%
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	**40% 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 2022 inflation rate has been increased to 11% while the future inflation rate is estimated at 2.20%.

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 11 years

16.16.3.2 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 11 million euros. A decrease of the same level would however result in a debt increase of 12 million euros.

The impact of an increase with 25 basis points of the expected wage increase rate amounts to 11 million euros.

In thousands of euros	31 December 2022	31 December 2021
Discount rate		
Increase in rates with 25 basis points	(11,470)	(19,291)
Decrease in rates with 25 basis points	11,927	20,583
Expected wage increase		
Increase in rates with 25 basis points	10,855	17,278

16.16.4 Change in liabilities of the defined benefit schemes

In thousands of euros	2022	2021
Net liabilities of the defined benefit schemes as of January 1st	**211,413**	**241,865**
Total expenses of the defined benefit schemes	28,131	28,421
Contributions paid by the employer	(21,252)	(20,799)
Benefits paid directly by the employer	(5,994)	(3,473)
Revaluation	(46,500)	(34,601)
Net liabilities of the defined benefit schemas of December 31st	**165,797**	**211,413**

The significant change in 2022 is explained by a sharp increase in discount rates, partially offset by the increase in the inflation rate.

16.16.5 Changes in defined benefit scheme obligations and long-term benefits

	2022			2021		
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	**616,070**	**30,074**	**646,144**	**615,995**	**41,787**	**657,782**
Cost price of services	31,056	4,399	35,455	31,478	108	31,586
Interest charges	6,136	12	6,148	2,605	4	2,609
Benefits paid directly by the employer	(5,994)	(11,320)	(17,314)	(3,473)	(12,027)	(15,500)
Benefits paid	(27,473)	-	(27,473)	(10,008)	-	(10,008)
Others	(4,745)	-	(4,745)	(3,963)	-	(3,963)
Revaluation	(107,119)	(1,027)	(108,146)	(16,564)	202	(16,362)
Defined benefit scheme obligation as of December 31st	**507,931**	**22,138**	**530,069**	**616,070**	**30,074**	**646,144**

16.16.6 Change in fair value of the defined benefit scheme assets

In thousands of euros	2022	2021
Fair value of the defined benefit scheme assets as of January 1st	**404,657**	**374,130**
Interest income	4,317	1,699
Employers' contributions	21,252	20,799
Benefits paid	(27,473)	(10,008)
Income of interests on plan assets in excess of interest income	(60,619)	18,037
Fair value of the defined benefit scheme assets as of December 31st	**342,134**	**404,657**

16.16.7 Allocation of defined benefit scheme assets

	31 December 2022	
In thousands of euros	Value	%
Bonds	207,300	61%
Equities	99,923	29%
Real estate	-	0%
Cash	11,809	3%
Illiquid assets	23,102	7%
Total	**342,134**	**100%**

16.16.8 Items affecting the income statement relating to defined benefit schemes

In thousands of euros	31 December 2022	31 December 2021
Cost price of services	31,056	31,478
Net interest charges	1,820	906
Others	-	-
Total expenses	**32,876**	**32,384**

16.17. Provisions

In thousands of euros	2022			
	Provisions for disputes	Provisions for financial risks	Other non-technical provisions	Total
Provisions on 1 January	**16,172**	**-**	**8,229**	**24,401**
Provisions (+)	2,449	-	42	2,491
Expenditures (-)	(5,681)	-	(2,641)	(8,321)
Reversals (-)	(1,107)	-	(5,155)	(6,262)
Transfers (+/-)	55	-	(55)	-
Change in scope	-	-	-	-
Other changes	-	-	-	-
Provisions on 31 December	**11,888**	**-**	**420**	**12,308**

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**

The decrease in provisions for litigation is mainly due to the use of the provision relating to the Hydralis litigation.

Other non-technical provisions decrease mainly due to the reversal of the provision for litigation related to the “60+ plan” taxes.

16.18. Trade and other payables

16.18.1 Breakdown by nature

In thousands of euros	31 December 2022	31 December 2021
Liabilities arising from direct insurance operations and accepted reinsurance	165,444	161,124
Liabilities arising from ceded reinsurance operations	177,462	96,469
Liabilities from operating activities	**342,907**	**257,593**
Tax on current result	3,463	5,091
Other contributions and taxes	75,779	50,960
Tax liability payable	**79,243**	**56,051**
Social security payables	75,239	66,003
Trade payables	88,404	96,119
Other payables	92,783	89,774
Accruals for liabilities	29,833	21,387
Other payables	**286,259**	**273,283**
Total other payables	**708,408**	**586,926**

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 accrued charges on the subordinated loan and 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.

16.18.2 Breakdown by maturity

	31 December 2022				
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	157,779	561	(310)	7,415	165,444
Liabilities arising from ceded reinsurance operations	12,279	-	-	165,183	177,462
Liabilities from operating activities	**170,058**	**561**	**(310)**	**172,598**	**342,907**
Tax on current result	3,463	-	-	-	3,463
Other contributions and taxes	74,430	-	-	1,349	75,779
Tax payables	**77,894**	**-**	**-**	**1,349**	**79,243**
Social security payables	75,239	-	-	-	75,239
Trade payables	88,342	-	-	62	88,404
Other payables	87,074	2,150	-	3,559	92,783
Accruals for liabilities	13,405	26	15,012	1,389	29,833
Other payables	**264,060**	**2,176**	**15,012**	**5,010**	**286,259**
Total other payables	**512,012**	**2,737**	**14,702**	**178,957**	**708,408**

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**
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**

17. Notes to the consolidated income statement

17.1. Income from insurance activities

In thousands of euros	31 December 2022			
	Insurance contracts		Investment contracts with discretionary participation features Life	Total
	Life	Non-Life		
Gross premiums	265,934	1,511,642	1,118,840	2,896,416
Premiums ceded to reinsurers	(1,643)	(44,106)	-	(45,749)
Change in provision for unearned premiums and outstanding risks (net of reinsurance)	-	1,149	-	1,149
Other income from insurance activities	3,295	2,245	280	5,820
Revenues of insurance activities (net of reinsurance)	**267,586**	**1,470,930**	**1,119,120**	**2,857,636**

In thousands of 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**

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

17.2. Technical expenses for insurance activities

In thousands of euros	31 December 2022			
	Insurance contracts		Investment contracts with discretionary participation features Life	Total
	Life	Non-Life		
Claims and insurance benefits	68,594	1,183,687	827,959	2,080,239
Net expenses or revenues ceded to reinsurers	(60)	(39,042)	-	(39,103)
Management costs	23,581	290,309	23,516	337,405
Technical expenses for insurance activities	**92,114**	**1,434,953**	**851,474**	**2,378,541**

In thousands of euros	31 December 2021			
	Insurance contracts		Investment contracts with discretionary partic-ipation 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**

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.

17.3. Net profit (loss) of cessions in reinsurance

In thousands of euros	31 December 2022	31 December 2021
Premiums ceded to reinsurers	(45,749)	(40,556)
Change in provision for unearned premiums - reinsurers' share	13	(413)
Net expenses or revenues ceded to reinsurers	39,103	116,688
Net profit (loss) of cessions in reinsurance	**(6,633)**	**75,719**

17.4. Net profit (loss) of other activities

In thousands of euros	31 December 2022	31 December 2021*
Revenues of institutions not being insurance companies	413,994	399,342
Other revenues of institutions not being insurance companies	10,487	17,534
Other revenues related to insurance activities	564	820
Revenues from other activities	**425,047**	**417,697**
Operating expenses of institutions not being insurance companies	(358,653)	(323,915)
Operating expenses of institutions being insurance companies	(6,350)	(6,205)
Other revenues of institutions not being insurance companies	(29,413)	(30,266)
Other expenses of institutions being insurance companies	(12,421)	(29,018)
Expenses for other activities	**(406,838)**	**(389,403)**
Net profit (loss) of other activities	**18,209**	**28,294**

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.

* See note 15.5.24 Application of IAS 8 - Correction intercompany eliminations

17.5. Net financial result without finance costs

In thousands of euros	31 December 2022					
	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 depre-ciations on investments	Other invest-ment financial expenses	Total
Investment properties	**34,606**	**35**	**-**	**(21,545)**	**-**	**13,096**
Available for sale	424	(1,084)	-	937	-	277
Participating interests	**424**	**(1,084)**	**-**	**937**	**-**	**277**
Available for sale	33,578	22,257	-	(3,709)	-	52,127
At fair value through profit or loss	4,324	(4,822)	(151,978)	-	-	(152,476)
Held for trading	70	(1,970)	(435)	-	-	(2,335)
Shares and investment funds	**37,972**	**15,466**	**(152,413)**	**(3,709)**	**-**	**(102,683)**
Available for sale	314,056	(4,272)	4	-	-	309,788
At fair value through profit or loss	9,310	764	(166,527)	-	-	(156,454)
Unlisted at amortized cost price	-	-	-	-	-	-
Bonds	**323,366**	**(3,508)**	**(166,523)**	**-**	**-**	**153,334**
Loans, deposits and other financial investments	**21,980**	**97**	**-**	**(91)**	**-**	**21,985**
Held for trading	(2,623)	-	3,511	-	-	888
Held for hedging purposes	(261)	1,289	(315)	-	-	714
Derivative financial instruments	**(2,884)**	**1,289**	**3,196**	**-**	**-**	**1,602**
Investments belonging to unit-linked insurance contracts	**-**	**(40)**	**(3,478)**	**-**	**-**	**(3,519)**
Cash and cash equivalents	**7,100**	**8**	**(97)**	**-**	**-**	**7,011**
Others	**5,706**	**-**	**-**	**-**	**(17,229)**	**(11,523)**
Net financial result without finance costs	**428,270**	**12,263**	**(319,315)**	**(24,408)**	**(17,229)**	**79,582**

In thousands of euros	31 December 2021					
	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
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**

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

17.6. Finance costs

In thousands of euros	31 December 2022	31 December 2021
Expenses related to bond loans	26,597	25,855
Expenses related to lease obligations	345	408
Expenses related to other financial debts	1,611	1,547
Total of the finance costs	**28,553**	**27,810**

17.7. Expenses by nature and allocation

In thousands of euros	31 December 2022	31 December 2021*
Internal claim handling costs	108,620	104,082
Acquisition costs of contracts	86,494	82,509
Management costs	162,879	155,774
Management costs of investments	11,291	11,954
General costs related to other activities	365,004	330,120
Total of the overhead costs by allocation	**734,288**	**684,438**
Employee benefit expenses	389,593	349,395
Rental and leasing expenses	2,782	3,494
Expenses related to operational buildings	9,204	8,185
IT costs	138,799	134,599
Allocations, amortizations and provisions for other risks and expenses	14,157	19,781
Other expenses	186,192	175,004
Recovered overhead costs (-)	(6,438)	(6,020)
Total of the overhead costs by nature	**734,288**	**684,438**

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

17.8. Employee benefit expenses

In thousands of euros	31 December 2022	31 December 2021
Wages	257,630	238,224
Social security expenses	67,659	64,495
Post-employment benefits	(68)	455
Defined benefit schemes	32,876	32,384
Other long-term benefits	122	118
Other benefits	4,961	(1,629)
Others	26,413	15,347
Total of the employee benefit expenses	**389,593**	**349,395**

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.

* See note 15.5.24 Application of IAS 8 - Correction intercompany eliminations

17.9. Income taxes

17.9.1 Overview of the tax expense

In thousands of euros	31 December 2022	31 December 2021
Payable tax	(55,685)	(33,763)
Deferred tax	(79,594)	(1,559)
Income tax on permanent activities	**(135,279)**	**(35,322)**
Payable tax on available-for-sale activities	-	-
Deferred tax on available-for-sale activities	-	-
Tax on available-for-sale activities	**-**	**-**
Tax expenses recognized through profit or loss	**(135,279)**	**(35,322)**
Tax expenses recognized in other comprehensive income components	**546,015**	**50,335**

17.9.2 Analysis of the tax expenses

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

In thousands of euros	31 December 2022	31 December 2021
Profit before tax (excluding contribution from discontinued operations and associated companies)	**548,332**	**244,914**
Theoretical tax rate	**25%**	**25%**
Expected tax expense	**(137,083)**	**(61,228)**
Impact of non-deductible expenses	(17,247)	(12,157)
Impact of non-taxable revenues	24,810	26,511
Impact of fiscal deficits	2,743	17,131
Impact of other temporary differences	(2,453)	(10,412)
Other impacts	(6,049)	4,834
Total of the tax expense adjustments	**1,804**	**25,907**
Real tax expense/proceed	**(135,279)**	**(35,322)**
Effective tax rate	**25%**	**14%**

Impact of non-deductible expenses mainly originates from impairments and losses on realized securities as well as disallowed expenses. 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 and definitively taxed income 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.

18. Notes relating to items not included in the balance sheet

18.1. Lease contracts

18.1.1 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 2022	31 December 2021
Past due during the year	45,290	40,196
Within more than one and maximum 5 years	172,429	158,764
Within more than 5 years	237,542	330,640
Total	**455,260**	**529,600**

Rent amount recognized as proceed within the financial year:

In thousands of euros	31 December 2022	31 December 2021
Minimum rent	39,767	38,239
Conditional rent	4,184	4,416
Total	**43,952**	**42,654**

Leased assets mainly relate to real estate.

18.1.2 Ethias as lessee

The lease contracts entered into by Ethias are detailed in items 4 (" *Right-of-use of assets*") and 15 ("*Financial debts*") of section ***16. Notes to the consolidated balance sheet.***

18.2. 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 Wallonie Entreprendre, the Flemish Region and EthiasCo;
- The non-consolidated subsidiaries, which are L'ouvrier chez lui (until 2021) and Sire Holding (until 2022);
- The joint ventures in which the entity is a joint venturer, which are WLP Holding, Belgium DC and Together Services (until 2022);
- The associated companies, which are IMA Benelux, Ariane Building, AssurCard, Bedrijvencentrum Geraardsbergen, Cityforward (from 2022), Eiffage Development SA (from 2022), Epico II Wind (from 2022), Epimede, Hamsterhuren II (from 2022), Letsgocity, Palais des Expositions Charleroi, NEB Foncière, NEB Participations, Vital Building, and Zabrixx I (from 2022); and
- The other related parties, viz. Ethias Pension Fund (OFP).

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

18.2.1 Transactions related to the balance sheet

In thousands of euros	31 December 2022					
	The entities exercising joint control or significant influence over the entity.	Non-consolidated subsidiaries	Joint ventures	Associated companies	Other related parties	Total
Loans	195,192	-	38,553	19,069	-	252,814
Receivables	-	-	6	1,927	-	1,934
Any other assets	-	-	-	-	-	-
Total assets with related parties	**195,192**	**-**	**38,559**	**20,996**	**-**	**254,748**
Insurance and investment contract liabilities	-	-	-	-	-	-
Financial debts	-	-	-	-	-	-
Trade and other payables	-	-	204	-	-	204
Total liabilities with related parties	**-**	**-**	**204**	**-**	**-**	**204**

In thousands of euros	31 December 2021					
	The entities exercising joint control or significant influence over the entity.	Non-consolidated subsidiaries	Joint ventures	Associated companies	Other related parties	Total
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 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 item 1.3 of section ***II. Report of the Board of Directors*** of the 2021 consolidated annual report) and 52 million euros to WLP Holding.

In 2022, the balance of the loans granted by Ethias is 4.7 million euros to SFPI, 190.5 million euros to the Walloon and Flemish Regions, 38.6 million euros to WLP Holding, 6.1 million euros to Vital Building, 5.7 million euros to Green4You, 4.6 million euros to Epimede, and 2.7 million euros to Ariane Building

18.2.2 Transactions related to revenues and expenses

In thousands of euros	31 December 2022					
	The entities exercising joint control or significant influence over the entity.	Non-consolidated subsidiaries	Joint ventures	Associated companies	Other related parties	Total
Turnover	-	-	97	-	-	97
Operating expenses	90	-	(3,437)	(28,634)	(22,321)	(54,302)
Financial income	51	-	1,063	8,824	-	9,938
Financial and financing expenses	-	-	-	-	-	-
Total	**141**	**-**	**(2,277)**	**(19,810)**	**(22,321)**	**(44,267)**

In thousands of euros	31 December 2021					
	The entities exercising joint control or significant influence over the entity.	Non-consolidated subsidiaries	Joint ventures	Associated companies	Other related parties	Total
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)**	**(17,116)**	**(21,835)**	**(40,650)**

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.

18.2.3 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 in section ***13. Governance report.***

The total amount of their remunerations includes the following elements:

In thousands of euros	31 December 2022	31 December 2021
Short-term benefits	3,368	2,993
Post-employment benefits	1,183	816
Termination benefits	140	391
Other long-term benefits	-	-
Remunerations and other benefits for managers and directors	**4,691**	**4,201**

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.

18.2.4 Other transactions with related parties

In thousands of euros	31 December 2022					
	Entities exercising joint control or significant influence over the entity	Non-consolidated subsidiaries	Joint ventures	Associated companies	Other related parties	Total
Commitments and guarantees given	12,600	-	-	17,400	-	30,000
Commitments and guarantees received	15,800	-	-	-	-	15,800
Total	**28,400**	**-**	**-**	**17,400**	**-**	**45,800**

In thousands of euros	31 December 2021					
	Entities exercising joint control or significant influence over the entity	Non-consolidated subsidiaries	Joint ventures	Associated companies	Other related parties	Total
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**

As of December 31, 2021, Ethias had 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 item 1.3 of section ***II. Report of the Board of Directors*** on the 2021 consolidated annual report).

As of December 31, 2022, the commitment of the Regions to Ethias regarding the flooding is 15.8 million euros. Furthermore, Ethias has a lending commitment of 12.6 million euros to the SFPI/FPIM as well as a commitment of 17.4 million euros to Cityforward.

18.3. Fees of the Statutory Auditor

In thousands of euros	31 December 2022	31 December 2021
Fees for audit services	1,362	995
Fees for services relating to audit services	98	50
Fees for fiscal advice	-	-
Other fees for non-audit services	60	19
Total	**1,520**	**1,064**

18.4. Commitments

18.4.1 Received commitments

In thousands of euros	31 December 2022	31 December 2021
Guarantee commitments	717,216	711,967
Finance commitment	1,798	1,798
Other received commitments	15,800	178,056
Total	**734,813**	**891,821**

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 item 1.3 of section ***II. Report of the Board of Directors*** on the 2021 consolidated annual report).

18.4.2 Given commitments

In thousands of euros	31 December 2022	31 December 2021
Guarantee commitments with regard to financing	-	-
Other guarantee commitments	7,357	11,357
Commitments on securities	444,039	845,360
Other given commitments	647,603	519,083
Total	**1,098,999**	**1,375,799**

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 419.4 million euros at December 31, 2022 (compared to 728.4 million at December 31, 2021) following the implementation of an investment programme financed by repos as well as securities paid as collateral for 24.7 millions at December 31, 2022.

Other given commitments consist mainly of commitments to acquire securities (in bond funds, equity funds, infrastructure funds, shares, participating interests) and loans.

18.5. Contingent liabilities

In 2022, as in 2021, Ethias has no contingent liabilities.

18.6. Events after the reporting period that do not give rise to adjustments

Events after the reporting date are listed in section ***9. Events subsequent to the date of the consolidated balance sheet***

19. Other information

19.1. Statutory auditor’s report on the consolidated financial statements for the year ended 31 December 2022

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 2022

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 Group's consolidated accounts for fifteen consecutive years.

Report on the consolidated accounts

Unqualified opinion

We have performed the statutory audit of the Group's consolidated accounts, which comprise the consolidated balance sheet as at 31 December 2022, 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' 18.323.649 and a net consolidated profit for the year of EUR '000' 410.891.

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 2022, 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.

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 judgement, 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 2022, insurance and investment contract liabilities amount to EUR '000' 14.392.412 and represent 79% of the total of the consolidated statement of financial position (see appendix 14 of consolidated accounts).

The adequacy test of these liabilities is complex and relies on a significant degree of judgement. 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 for which no quoted prices in active markets are available ("level 3")</u>

Description of the key audit matter

The Group holds financial assets for which there is no quoted price in an active market. As mentioned in Note 16.6 to the consolidated accounts, the fair value of a certain number of these financial instruments is determined using valuation techniques that are not based on observable market data.

As at 31 December 2022, the Group holds more specifically level 3 financial assets (excluding participating interests) with a fair value of EUR '000' 595.708.

In particular, the fair value of level 3 financial instruments is estimated using an internal valuation model or a third party valuation, 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 are not 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 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.

Based on our procedures we believe that the retained fair values of these financial instruments are reasonable.

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 judgement 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.

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 and to report on these matters.

Aspects related to the directors' 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 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 the directors' report on the consolidated accounts. 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 reference framework as disclosed in the directors' report on the consolidated accounts.

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.

FREE TRANSLATION

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, 18 April 2023

The statutory auditor
PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV
Represented by

Tom Meuleman
Réviseur d'Entreprises / Bedrijfsrevisor

20. Annual accounts of Ethias SA

20.1. Bilan

Assets	2022	2021
B. Intangible assets	**108,068,503**	**110,453,754**
I. Formation expenses	0	448
II. Intangible assets	108,068,503	110,453,306
1. Goodwill	27,325,556	33,317,125
2. Other intangible assets	52,604,303	57,932,046
3. Advance payments	28,138,644	19,204,135
C. Investments	**15,900,447,200**	**15,983,236,833**
I. Land and properties	135,148,753	147,945,176
1. Real estate for corporate purposes	5,313,220	5,439,251
2. Others	129,835,533	142,505,925
II. Investments in associated companies and participations	517,084,679	464,743,040
- Associated companies	357,169,140	410,498,678
1. Participating interests	357,169,140	410,498,678
2. Certificates, bonds and receivables	0	0
- Other companies linked by a participating interest	159,915,539	54,244,362
3. Participating interests	146,863,129	41,092,558
4. Certificates, bonds and receivables	13,052,410	13,151,804
III. Other financial investments	15,244,547,431	15,366,753,409
1. Equities, shares and other variable-income securities	687,335,122	702,810,540
2. Bonds and other fixed-income securities	13,177,201,265	13,612,416,270
4. Mortgage loans and mortgage credits	202,828,153	231,059,487
5. Other loans	1,104,959,735	798,470,910
6. Deposits with credit institutions	70,967,156	21,991,732
7. Others	1,256,000	4,470
IV. Deposits with ceding companies	3,666,337	3,795,208
D. Investments related to operations linked to a "Life" business investment fund whose investment risk is not borne by the company	**1,609,303,201**	**1,778,054,022**
Dbis. Reinsurers' share of technical provisions	**224,800,854**	**225,729,774**
I. Provision for unearned premiums and outstanding risks	77,816	64,649
II. Provision for Life insurance	1,478,991	2,923,417
III. Provision for claims to be paid	223,244,047	222,741,708
E. Receivables	**484,130,070**	**445,578,103**
I. Receivables arising from direct insurance operations	254,329,478	212,525,979
1. Policyholders	134,056,487	113,122,373
2. Insurance intermediaries	21,556,600	17,310,715
3. Others	98,716,391	82,092,891
II. Receivables arising from reinsurance operations	145,708,350	113,721,527
III. Other receivables	84,092,242	119,330,597
F. Other asset items	**508,749,139**	**371,610,820**
I. Tangible assets	17,090,697	18,634,941
II. Available values	491,658,442	352,975,879
G. Accruals	**152,656,360**	**175,583,193**
I. Interest and rent earned but not yet due	152,656,360	175,583,193
Total assets	**18,988,155,327**	**19,090,246,499**

Liabilities	2022	2021
A. Equity	**1,611,324,752**	**1,528,203,983**
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	1,660,619
IV. Reserves	90,841,386	78,776,548
1. Statutory reserve	73,650,000	64,150,000
3. Untaxed reserves	15,148,911	12,584,073
4. Available reserves	2,042,475	2,042,475
V. Result carried forward	518,822,747	447,766,816
1. Profit carried forward	518,822,747	447,766,816
B. Subordinated debts	**478,604,150**	**474,920,678**
Bbis Funds for future appropriations	**18,378,650**	**18,378,650**
C. Technical provisions	**13,994,771,455**	**13,826,929,300**
I. Provisions for unearned premiums and outstanding risks	294,668,170	295,804,097
II. Provision for Life insurance	9,571,531,044	9,556,734,162
III. Provision for claims to be paid	3,904,869,102	3,716,785,219
IV. Provision for profit sharing and refunds	36,122,762	43,587,400
V. Equalization and catastrophe provision	6,738,032	7,999,520
VI. C. Other technical provisions	180,842,345	206,018,902
D. Technical provisions related to operations linked to a Life business investment fund whose investment risk is not borne by the company	**1,609,303,201**	**1,778,054,022**
E. Provisions for other risks and costs	**38,203,852**	**57,911,114**
I. Provisions for pensions and similar liabilities	0	0
II. Provisions for taxes	2,776,732	3,388,783
III. Other provisions	35,427,120	54,522,331
F. Deposits received from reinsurers	**165,183,086**	**87,614,523**
G. Debts	**1,050,536,101**	**1,206,415,351**
I. Liabilities arising from direct insurance operations	165,444,448	161,123,997
II. Reinsurance payables	12,279,138	8,854,046
IV. Debts owed to credit institutions	545,366,890	729,496,657
V. Other debts	327,445,625	306,940,651
1. Amounts payable for taxes, remuneration and social security	104,985,292	78,405,358
a) taxes	61,835,333	41,291,242
b) remunerations and social security costs	43,149,959	37,114,116
2. Others	222,460,333	228,535,293
H. Accruals	**21,850,080**	**111,818,878**
Total liabilities	**18,988,155,327**	**19,090,246,499**

20.2. Income statement

I. Technical account Non-Life	2022	2021
1. Earned premiums, net of reinsurance	**1,468,685,117**	**1,365,362,599**
a) Gross premiums	1,511,642,376	1,404,327,739
b) Outgoing reinsurance premiums (-)	**-44,106,353**	**-39,194,778**
c) Change in the provision for unearned premiums and outstanding risks, gross of reinsurance (increase -, decrease +)	1,135,927	642,585
d) Change in the provision for unearned premiums and outstanding risks, reinsurers' share (increase +, decrease -)	**13,167**	-412,947
2bis. Investment income	**179,740,827**	**129,321,439**
a) Income from investments in associated companies or companies linked by a participating interest	2,320,014	3,243,350
aa) associated companies	**0**	**390,854**
1° participating interests	0	197,156
2° certificates, bonds and receivables	0	193,698
bb) other companies linked by a participating interest	2,320,014	2,852,496
1° participating interests	2,156,816	2,709,825
2° certificates, bonds and receivables	163,198	142,671
b) Income from other investments	151,179,149	101,802,404
aa) income from land and properties	1,521,033	1,341,566
bb) income from other investments	149,658,116	100,460,838
c) Write-back of value adjustments on investments	3,161,437	1,612,551
d) Gains on disposal	23,080,227	22,663,134
3. Other technical income, net of reinsurance	**2,244,693**	**1,189,171**
4. Claims costs, net of reinsurance (-)	**-1,177,382,956**	**-1,082,915,435**
a) Net amounts paid	**1,000,506,749**	**946,642,838**
aa) gross amounts	**1,029,276,913**	**990,183,567**
bb) reinsurers' share (-)	**-28,770,164**	**-43,540,729**
b) Change in provision for claims to be paid, net of reinsurance (increase +, decrease -)	**176,876,207**	136,272,597
aa) change in provision for claims to be paid, gross of reinsurance (increase +, decrease -)	181,812,740	203,200,612
bb) change in provision for claims to be paid, reinsurers' share (increase -, decrease +)	-4,936,533	-66,928,015
5. Change in the other technical provisions, net of reinsurance (increase -, decrease +)	**25,176,557**	**-273,199**
6. Profit sharing and refunds, net of reinsurance (-)	**-2,153,981**	**-3,752,722**
7. Net operating costs (-)	**-253,421,256**	**-250,089,664**
a) Acquisition costs	119,924,153	119,849,869
c) Administrative costs	138,834,444	134,507,098
d) Commissions received from the reinsurers and participating interests (-)	-5,337,341	-4,267,303
7bis. Investment-related costs (-)	-30,718,704	-14,433,840
a) Investment management costs	7,398,563	6,658,183
b) Value adjustments on investments	11,567,244	3,656,575
c) Losses on disposal	11,752,897	4,119,082
8. Other technical costs, net of reinsurance (-)	**-40,850,097**	**-40,188,310**
9. Change in provision for equalization and catastrophe, net of reinsurance (increase -, decrease +)	**1,261,488**	**16,622,494**
10. Result of the Non-Life technical account		
Profit (+)	172,581,688	120,842,533

II. Life technical account	2022	2021
1. Premiums, net of reinsurance	**1,400,737,057**	**1,373,062,558**
a) Gross premiums	**1,402,379,858**	**1,374,424,237**
b) Outgoing reinsurance premiums (-)	**-1,642,801**	**-1,361,679**
2. Investment income	**323,047,811**	**360,091,317**
a) Income from investments in associated companies or companies linked by a participating interest	8,033,271	5,897,328
aa) associated companies	6,595,881	4,870,793
1° participating interests	6,595,878	4,731,202
2° certificates, bonds and receivables	3	139,591
bb) other companies linked by a participating interest	1,437,390	1,026,535
1° participating interests	1,323,965	818,333
2° certificates, bonds and receivables	113,425	208,202
b) Income from other investments	257,447,443	273,429,743
aa) income from land and properties	11,350,445	10,684,787
bb) income from other investments	246,096,998	262,744,956
c) Write-back of value adjustments on investments	6,518,631	4,218,230
d) Gains on disposal	51,048,466	76,546,016
3. Value adjustments on investments of the assets side D. (income)	**200,845,486**	**225,818,741**
4. Other technical income, net of reinsurance	**3,575,336**	**3,223,674**
5. Claims costs, net of reinsurance (-)	**-1,488,606,942**	**-1,436,969,444**
a) Net amounts paid	1,488,606,942	1,436,969,444
aa) gross amounts	1,490,111,617	1,437,309,411
bb) reinsurers' share (-)	-1,504,675	-339,967
b) 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 +)	**233,332,489**	**-235,363,193**
a) Change in provision for Life insurance, net of reinsurance (increase -, decrease +)	-61,674,411	-94,939,505
aa) change in provision for Life insurance, gross of reinsurance (increase -, decrease +)	-60,229,985	-96,551,754
bb) change in provision for Life insurance, reinsurers' share (increase +, decrease -)	-1,444,426	1,612,249
b) Change in the other technical provisions, net of reinsurance	295,006,900	-140,423,688
7. Profit sharing and refunds, net of reinsurance (-)	**7,464,638**	**-3,454,541**
8. Net operating costs (-)	**-41,176,082**	**-39,750,183**
a) Acquisition costs	8,398,574	7,994,321
c) Administrative costs	32,777,508	31,755,862
d) Commissions received from the reinsurers and profit sharings (-)	0	0
9. Investment-related costs (-)	**-81,237,078**	**-40,888,805**
a) Investment management costs	18,838,070	18,041,465
b) Value adjustments on investments	13,992,822	8,078,153
c) Losses on disposal	48,406,186	14,769,187
10. Value adjustments on investments of the assets side D. (costs) (-)	**-467,384,130**	**-93,521,082**
11. Other technical costs, net of reinsurance (-)	**-5,736,775**	**-10,290,608**
12bis. Change in fund for future appropriations (increase -, reduction +)	**0**	**0**
13. Result of the Life technical account		
Profit (+)	84,861,810	101,958,434

III. Non-technical account	2022	2021
1. Result of the Non-Life technical account		
Profit (+)	172,581,688	120,842,533
2. Result of the Life technical account		
Profit (+)	84,861,810	101,958,434
3. Investment income	**19,048,035**	**16,997,387**
a) Income from investments in associated companies or companies linked by a participating interest	13,410,946	6,960,588
b) Income from other investments	4,727,056	4,624,855
bb) income from other investments	4,727,056	4,624,855
c) Write-back of value adjustments on investments	816,907	0
d) Gains on disposal	93,126	5,411,944
5. Investment-related costs (-)	**-28,613,961**	**-26,112,992**
a) Investment management costs	26,826,102	26,097,425
b) Value adjustments on investments	1,065,857	0
c) Losses on disposal	722,002	15,567
7. Other income	**15,482,705**	**18,273,224**
8. Other costs (-)	**-25,892,428**	**-22,524,928**
8bis. Current result before taxes		
Profit (+)	237,467,849	209,433,658
12. Exceptional costs (-)	**0**	**-2,309,653**
15. Income taxes (-/+)	**-46,959,129**	**-17,542,736**
15bis. Deferred taxes (-/+)	**2,968**	**126,119**
16. Result of the financial year		
Profit (+)	190,511,688	189,707,388
17. a) Withdrawal from the untaxed reserves	**41,888**	**378,357**
b) Transfer to the untaxed reserves (-)	**-1,997,645**	**-1,997,645**
18. Result for the period to be appropriated		
Profit (+)	188,555,931	188,088,100

Appropriation and withdrawal	2022	2021
A. Profit to be appropriated	**636,322,747**	**562,266,816**
1. Profit for the period available for appropriation	188,555,931	188,088,100
2. Profit carried forward from the previous period	447,766,816	374,178,716
B. Charge to shareholders' equity	**0**	**0**
2. to reserves	0	0
C. Transfers to equity (-)	**-9,500,000**	**-9,500,000**
2. to the statutory reserve	-9,500,000	-9,500,000
D. Result to be carried forward		
1. Profit to be carried forward (-)	-518,822,747	-447,766,816
F. Profit to be distributed (-)	**-108,000,000**	**-105,000,000**
1. Remuneration of capital	108,000,000	105,000,000

20.3. 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	246,221,706	197,133,567	341,695,196	0
Changes during the year:				
- Acquisitions	16,253,838		25,633,768	0
- Disposals and withdrawals	-4,396,640	-251,196	22,342,312	0
- Reclassified between headings				0
- Other changes			-40,122,494	0
Year end	258,078,904	196,882,371	304,864,158	0
b) Increase in value				
Previous year end			72,345,152	0
Changes during the year:				
- Decided				0
- Cancelled				0
- Reclassified between headings				0
Year end			72,345,152	0
c) Reductions in value				
Previous year end	135,767,952	49,188,390	3,541,670	0
Changes during the year:				
- Decided	18,603,970	12,634,753		0
- Written back as excessive				0
- Cancelled	4,361,521	89,525		0
- Transfers from one heading to another				0
Year end	150,010,401	61,733,618	3,541,670	0
d) Amounts not called up				
Previous year end				0
Changes during the year:			16,498,500	0
Year end			16,498,500	0
Net book value, year end	**108,068,503**	**135,148,753**	**357,169,140**	**0**

Name	Asset items concerned			
	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
a) Acquisition value				
Previous year end	60,761,480	13,151,804	750,521,043	13,927,760,087
Changes during the year:				
- Acquisitions	77,387,676	1,400,000	246,387,957	1,933,393,896
- Disposals and withdrawals	0	1,499,394	243,715,273	2,368,799,446
- Reclassified between headings				
- Other changes	40,122,494	0	0	-34,486,428
Year end	178,271,650	13,052,410	753,193,727	13,457,868,109
b) Increase in value				
Previous year end		0		
Changes during the year:				
- Decided		0		
- Cancelled		0		
- Reclassified between headings		0		
Year end		0		
c) Reductions in value				
Previous year end	10,764,646	0	11,164,503	315,343,817
Changes during the year:				
- Decided	788,862	0	7,484,279	-23,144,658
- Written back as excessive		0	241,193	2,412,000
- Cancelled		0	6,041,627	9,120,315
- Transfers from one heading to another		0		
Year end	11,553,508	0	12,365,962	280,666,844
d) Amounts not called up				
Previous year end	8,904,277	0	36,546,000	
Changes during the year:	10,950,735	0	16,946,643	
Year end	19,855,012	0	53,492,643	
Net book value, year end	**146,863,129**	**13,052,410**	**687,335,122**	**13,177,201,265**

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		by the subsidiaries	Data extracted from the last available annual report			
	Number	%	%	Financial statements as of	Currency	Equity (+) or (-) (in thousands of currency units)	Net profit or loss (+) or (-) (in thousands of currency units)
Air Properties SA Rue Léon Lav l 12, L-3372 Leudelange B179.427	140,411	65	0	12/31/2021	EUR	9,936	1,239
Ankaret Invest SA Rue des Croisiers, 24 B-4000 Liège BE 0438.840.866	2,368,879	100	0	12/31/2021	EUR	17,550	-119
Archeion SA Rue des Croisiers, 24 B-4000 Liège BE 0832.269.896	28,410	100	0	12/31/2021	EUR	2,179	113
Ariane Building SA Place Saint-Jacques, 11/104 B-4000 Liège BE 0862.467.382	8,050	25	0	12/31/2021	EUR	-2,748	-976
Ariane Real Estate (ARE) SA Rue des Croisiers, 24 B-4000 Liège BE 0898.866.435	200	100	0	12/31/2021	EUR	8,234	309
Assurcard NV Fonteinstraat 1A/301 B-3000 Leuven BE 0475.433.127	900	20	0	12/31/2021	EUR	3,153	142
Bedrijvencentrum regio Geraardsbergen Herenveld 2 -9500 Geraardsbergen BE 0456.832.584	32	28	0	12/31/2021	EUR	907	31
Bora SA Rue des Croisiers 24 B-4000 Liège BE 0444.533.281	484	100	0	12/31/2021	EUR	5,689	150
Centrexperts Avenue Franklin Roosevelt 104/1 1330 Rixensart BE 0463.891.315	80	10	0	12/31/2021	EUR	176	7
Cityforward Vlaamsekaai, 35 2000 Antwerpen BE 0784.472.652	50,000,000	50	0				
De Oostendse Haard asbl Nieuwpoortsesteenweg, 205 B-8400 Ostende BE 0405.277.282	1,400	16	0	12/31/2021	EUR	21,016	791
E.D.A. SA Avenue de la Cokerie 3 B-4030 Grivegnée BE 0823.162.982	10	10	0	12/31/2021	EUR	315	15
Eiffage Development SA avenue Brugmann 27 B-1060 Saint-Gilles BE 0418.472.450	3,500	35	0	12/31/2021	EUR	24,191	3,318
Epico II Wind BV Rue du Vieux Marché aux Grains 63 B-1000 Bruxelles BE 0787.696.121	3,094,000	39	0				
Epimède SA Lambert Lombard, 3 B-4000 Liège BE 0634.750.380	2,080	20	0	6/30/2022	EUR	9,009	4,748
Ethias Patrimoine SA Rue des Croisiers, 24 B-4000 Liège BE 0894.377.612	40	100	0	12/31/2021	EUR	21,739	17
Ethias Services SA Rue des Croisiers, 24 B-4000 Liège BE 0825.876.113	999	100	0	12/31/2021	EUR	3,563	-390

NAME, full address of the REGISTERED OFFICE and if it concerns a company under Belgian law, the VAT or NATIONAL NUMBER	Social rights held by			Data extracted from the last available annual report			
	directly		by the subsid-iaries	Financial statements as of	Currency	Equity	Net profit or loss
						(+) or (-)	
	Number	%	%			(in thousands of currency units)	
Ethias Sustainable Investment Fund SA (European Equities High Yield) Rue des Croisiers, 24 B-4000 Liège BE 865.127.063	254,156	92	8	12/31/2021	EUR	107,871	20,637
Ethias Sustainable Investment Fund SA (Global Equities) Rue des Croisiers, 24 B-4000 Liège BE 865.127.063	21,144	100	0	12/31/2021	EUR	25,491	4,566
Ethias Ventures rue des Croisiers 24, B-4000 Liège BE 0793.497.216	1,000	100	0				
Expertisebureau Bellefroid NV Kiewitstraat 175 B-3500 Hasselt BE 0429.884.105	13	10	0	12/31/2021	EUR	596	-63
Foncière du Berlaymont sprl Rue des Croisiers, 24 B-4000 Liège BE 0833.012.640	1,000	100	0	12/31/2021	EUR	197	8
Green4you SA boulevard du Roi Albert II 7, B-1210 Saint-Josse-ten-Noode BE 0778.652.157	2,600	26	0				
Hamsterhuren - location écureuil II Begijnhof 58 3800 Sint-Truiden BE 0761.522.848	38,554	22	0				
Het Gehucht SA rue des Croisiers, 24 B-4000 Liège BE 0808.840.636	500	100	0	12/31/2021	EUR	1,419	20
Idelux Développement Drève de l'Arc-en-ciel,98 B-6700 Arlon BE 0205.797.475	75	11	0	12/31/2021	EUR	79,458	961
IMA Benelux square des Conduites d'Eau 11-12, B-4020 Liège BE 0474.851.226	16,500	33	0	12/31/2021	EUR	1,992	-399
Immo Hofveld SA rue des Croisiers, 24 B-4000 Liège BE 0889.535.233	1,000	100	0	12/31/2021	EUR	1,266	34
Immovivegnis SA rue des Croisiers, 24 B-4000 Liège BE 0463.660.394	10,500	100	0	12/31/2021	EUR	9	-26
Impulse Microfinance Investment Fund Sneeuwbeslaan, 20/2 B-2610 Wilrijk BE 0870.792.160	1,200	11	0	12/31/2021	EUR	1,586	1,143
Jan Dockx SA rue des Croisiers, 24 B-4000 Liège BE 0458.920.757	2,500	100	0	12/31/2021	EUR	2,121	18
Koala SA rue des Croisiers 24, B-4000 Liège BE 0873.412.150	400	100	0	12/31/2021	EUR	4,436	57
Lothian Developments IV SA rue des Croisiers, 24 B-4000 Liège BE 0463.648.518	1,012,873	100	0	12/31/2021	EUR	3,026	265
Maison de l'assurance Square de Meeûs, 29 B-1000 Bruxelles BE 0403.306.501	2,776	11	0	12/31/2021	EUR	2,814	14
Naos SA Rue Léon Laval 12, L-3372 Leudelange B 207.559	670,000	67	0	12/31/2021	EUR	12,950	1,455

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)
NEB Foncière SA rue Louvrex, 95 B-4000 Liège BE 0480.029.838	145	29	0	12/31/2021	EUR	127	-1
NEB Participations SA rue Louvrex, 95 B-4000 Liège BE 0480.029.739	60,503	29	0	12/31/2021	EUR	65,817	10,932
Network Research Belgium SA P.l. des Hauts-Sarts 2ème avenue, 65 B-4040 Herstal BE 0430.502.430	42,530	68	0	12/31/2021	EUR	116,305	40,808
Palais des expositions congrès de charleroi rue de robiano, 74 B-7130 Binche BE 0401.553.571	9,856	23	0	12/31/2021	EUR	-578	-445
Real Goed Invest SA rue des Croisiers, 24 B 4000 Liège BE 0872.354.157	1,046	100	0	12/31/2021	EUR	2,690	100
Sagitta SA rue des Croisiers 24, B-4000 Liège BE 0812.356.489	240	100	0	12/31/2021	EUR	2,717	64
Veran Real Estate CY SA rue des Croisiers, 24 B-4000 Liège BE 0894.106.012	100	100	0	12/31/2021	EUR	4,608	95
Vital Building SA Place Saint-Jacques, 11/105 B-4000 Liège BE 0875.171.810	5,000	50	0	12/31/2021	EUR	5,064	261
Weerts Logistic Parks Holding Varnstraat, 2 3793 Teuven BE 0837.446.629	39,540,925	33	0	12/31/2021	EUR	112,439	-2,065
Zabrixx I Antoon Catriestraat, 8A 9031 Gent BE 0786.725.725	4,890	49	0				

N° 3. Actual value of investments

Asset items	Amounts
C. Investments	**14,300,855,148**
I. Land and properties	154,076,897
II. Investments in associated companies and participations	901,127,200
- Associated companies	634,012,238
1. Participating interests	634,012,238
2. Certificates, bonds and receivables	0
- Other companies linked by a participating interest	267,114,962
3. Participating interests	255,173,260
4. Certificates, bonds and receivables	11,941,702
III. Other financial investments	13,241,984,714
1. Equities, shares and other variable-income securities	829,768,090
2. Bonds and other fixed-income securities	11,120,521,598
4. Mortgage loans and mortgage credits	193,388,657
5. Other loans	1,022,651,405
6. Deposits with credit institutions	70,967,156
7. Others	4,687,808
IV. Deposits with ceding companies	3,666,337

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

Estimate of the fair value of each class of derivative financial instruments not measured at fair value in the accounts, with indications on the nature and the volume of the instruments	Net book value	Fair value
Forward swaps, volume: € 500,000,000, rate risk	0	3,401,598
Foward bonds, volume: € 2,069,618,500, credit risk	0	129,363,612
Index options, volume: € 14,800, market risk	1,256,000	1,286,210

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	120,785,928	96,896,935
C.II.3 Investments in associated companies and participations - participating interests	62,398,449	56,262,067
C.III.1 Other financial investments - equities, shares and other variable-income securities	282,376,011	243,262,446
C.III.2 Other financial investments - bonds and other fixed-income securities	11,690,632,845	9,585,169,766
C.III.4 Mortgage loans and mortgage credits	202,828,152	193,388,657
C.III.5 Other financial investments - other loans	743,023,773	660,584,828

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.4 Prêts et crédits hypothécaires. cfr. règles d'évaluations dans l'annexe 20 (point 2)

C.III.5 Other financial investments - other loans: see valuation rules in note 20 (item 2)

For items C.II.1 and C.II.3 "Investments in associated companies and participations - participating interests", the valuation rules stipulate that these investments are subject to write-downs in the event of lasting impairment. The Valuation Committee analyzed the cases of unrealized losses and concluded that none of these were of a lasting nature.

For item C.III.1 "Other financial investments - equities, shares and other variable-income securities", the unrealized losses on these investments are not of a lasting nature in accordance with our rules, which stipulate that impairments are recorded when the loss is more than 50% compared to the acquisition value or 20% for at least one year. These criteria have not been met for the positions listed in this note.

For item C.III.2 "Other financial investments - bonds and other fixed-income securities", the Valuation Committee's analysis of these positions shows that the decrease in market value is mainly due to the upward fluctuation of interest rates on the market and not to the credit quality of the issuers, which has not deteriorated.

For items C.III.4 "Mortgage loans and mortgage credits" and C.III.5 "Other financial investments - other loans", the unrealized losses are also attributable to the increase in interest rates on the markets and not to a deterioration in the credit quality of the debtors of these loans.

N°5. Statement of capital

	Amounts	Number of shares
A. Share capital		
1. Subscribed capital (item A.I.1. of the liabilities)		
- Previous year end:	1,000,000,000	xxxxxxxxxxxxxxx
- Changes during the year:		
- Year end	1,000,000,000	xxxxxxxxxxxxxxx
2. Structure of the capital		
2.1. Classes of shares under company law	1,000,000,000	20,000,000
2.2. Registered or dematerialized shares		
Registered	xxxxxxxxxxxxxxx	20,000,000
G. Ownership structure of the company at the closing date of the accounts		
EthiasCo SRL	xxxxxxxxxxxxxxx	1,000,010
Flemish Region	xxxxxxxxxxxxxxx	6,333,330
Walloon Region	xxxxxxxxxxxxxxx	6,333,330
Federal State (SFCI)	xxxxxxxxxxxxxxx	6,333,330

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

Breakdown of the liability item E.III	Amounts
Provision retirement plan	20,497,724
Other provisions for risks and charges	3,585,237
Provision for disputes	11,344,159

N° 7. Statement of technical provisions and debts

Liability items concerned	Amounts
a) Breakdown of the debts (or a part of the debts) with a residual maturity of more than 5 years.	
B. Subordinated debts	478,604,150
II. Non-convertible loans	478,604,150
Total	**478,604,150**
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	1,609,303,201
G. Debts	419,354,947
IV. Debts toward credit institutions	419,354,947
Total	**2,028,658,148**
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	61,835,333
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	43,149,959
Total	**104,985,292**

N° 8. Statement of accruals for liabilities

Breakdown of the liability item H	Amounts
Financial income to be carried forward	851,341
Result on other derivatives to be reallocated	827,461
Financial charges to be allocated (Bond Issue and REPO)	20,171,278

N° 10. Information on technical accounts

I. Non-Life insurance

Content	Total	Direct business			
		Total	Accidents and disease (branches 1 and 2)	Automobile Civil Liability (branch 10)	Automobile Other branches (branches 3 and 7)
1) Gross premiums	**1,511,642,376**	1,511,433,225	577,261,348	269,906,041	195,972,351
2) Earned gross premiums	**1,512,778,303**	1,512,569,152	577,313,439	269,133,752	195,714,554
3) Gross damages	**1,211,089,657**	1,208,843,565	521,440,460	237,093,785	112,850,282
4) Gross operating costs	**258,758,597**	258,563,200	60,912,048	57,412,143	40,392,561
5) Reinsurance balance	**-5,050,719**	-5,050,719	-647,746	-6,158,868	-7,845,167
6) Commissions (art. 37)		34,291,278	0	0	0

Content	Direct business				
	Marine Aviation Transport (branches 4, 5, 6, 7, 11 and 12)	Fire and other damages to properties (branches 8 and 9)	General Civil Liability (branch 13)	Credit and Bonding (branches 14 and 15)	Miscellaneous financial losses (branch 16)
1) Gross premiums	285,480	258,580,860	100,849,240	19,518	20,291,197
2) Earned gross premiums	295,471	252,066,985	100,474,448	19,518	30,579,211
3) Gross damages	998,542	166,668,935	87,356,906	126	9,231,174
4) Gross operating costs	55,445	55,033,995	18,719,464	11,621	3,725,005
5) Reinsurance balance	0	4,390,532	5,210,530	0	0
6) Commissions (art. 37)	0	0	0	0	0

Content	Direct business		Accepted cases
	Legal protection (branch 17)	Assistance (branch 18)	
1) Gross premiums	42,481,066	45,786,124	209,151
2) Earned gross premiums	42,341,462	44,630,312	209,151
3) Gross damages	42,340,259	30,863,096	2,246,092
4) Gross operating costs	10,203,246	12,097,672	195,397
5) Reinsurance balance	0	0	0
6) Commissions (art. 37)	0	0	0

II. Life insurances

Content	Amounts
A. Direct business	
1) Gross premiums:	1,402,379,858
a) Individual premiums	46,077,654
Premiums under group insurance contracts	1,356,302,204
b) Periodic premiums	1,188,123,622
Single premiums	214,256,236
c) Premiums for non-bonus contracts	27,189,311
Premiums for bonus contracts	1,362,983,947
Premiums from contracts where the investment risk is not borne by the company	12,206,601
2) Reinsurance balance	-1,582,552
3) Commissions (art. 37)	3,457,294
B. Accepted cases	
Gross premiums:	0

III Non-Life insurance and Life insurance, direct business

Content	Amounts
Gross premiums:	
- in Belgium	2,878,680,734
- in the other states of the EEC	35,132,348

N° 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	2022	2021
a) Their total number at the financial year's closing date	1,952	1,976
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:	1,805	1,774
- management staff	28	26
- clerical staff	1,777	1,748
c) The number of hours worked	2,590,757	2,571,733

B. The following information relating to the financial year and the previous financial year, concerning temporary staff and persons made available to the company	2022	2021
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	4
c) The number of hours worked	7,496	7,754

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

Name	Amounts
I. Employee benefit expenses	**189,736,834**
1. a) Remunerations	115,370,680
b) Pensions	0
c) Other direct social benefits	34,003,257
2. Employers' social security contributions	37,235,802
3. Employers' allowances and premiums for extra-legal insurances	174,889
4. Other employee benefit expenses	2,952,206
5. Provisions for pensions, remuneration and social security costs	0
a) Appropriations (+)	0
b) Expenditures and reversals (-)	0
II. Services and other goods	**175,203,637**
III. Depreciation and write-down on intangible and tangible assets other than investments	**21,937,275**
IV. Provisions for other risks and expenses	**-5,139,935**
1. Allocation (+)	0
2. Expenditures and reversals (-)	-5,139,935
V. Other current expenditure	**10,400,398**
1. Fiscal operating costs	1,319,495
a) Property tax	1,174,202
b) Others	145,293
2. Contributions to public bodies	3,623,510
4. Others	5,457,393
VI. Administrative costs recovered and other current income (-)	**-6,422,200**
1. Recovered administrative costs	6,422,200
b) Others	6,422,200
Total	**385,716,009**

N° 13. Other income, other costs

	Amounts
A. Breakdown of the other income (item 7 of the non-technical account)	
Reversals of write-downs on litigations	14,915,577
Capital gains realized on tangible assets	30,000
Others	537,129
B. Breakdown of the other costs (item 8 of the non-technical account)	
Amortizations	448
Impairments on receivables	16,781,588
Capital losses realized on assets	3,104,429
Others	6,005,963

N° 15. Income taxes

	Amounts
A. Breakdown of item 15 a) 'Taxes':	**48,315,000**
1. Income taxes for the financial year:	48,315,000
a) Refundable advance payments and prepayments	48,612,518
b) Other attributable items	0
c) Excess of advance payments and / or capitalized refundable withholding taxes (-)	297,518
d) Estimated tax supplements (included in heading G.V.1.a) of liabilities)	0
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):	-13,650,939
- Income exempt and non-allowable losses on shares:	-6,737,419
- Disallowed expenses (excluding shares):	11,265,711
- Miscellaneous deductions (DTI, income from innovation)	-44,650,000
D. Sources of deferred tax assets:	
1. Deferred tax assets	1,096,060,000
- Accumulated tax losses and definitively taxed income ("RDT") (carry-forward)	0
- Taxed technical provisions:	1,079,430,000
- Taxed impairments and other taxed reserves:	**16,630,000**
2. Future tax liabilities	**0**
Surplus value (spread taxation):	**0**

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

	2022	2021
A. Charges:		
1. Charges on insurance contracts borne by third parties	262,916,042	254,137,135
2. Other charges borne by the company	918,016	983,097
B. Amounts retained on behalf of third parties in respect of:		
1. Withholding tax on earned income	364,011,049	312,149,850
2. Withholding tax (on dividends)	5,266,463	1,669,722

N° 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:	448,985,879
D. Collateral received (others than in cash):	
a) securities and values of reinsurers:	110,778,757
b) others:	597,436,823
G. Nature and business purpose of off-balance sheet transactions:	
H. Others:	**5,113,717,362**
Commitments to acquire real estate	139,489,834
Infrastructure lending commitments	29,137,175
Financial lending commitments	53,287,898
Public Bodies lending commitments	10,000,000
Mortgage lending commitments	49,674,245
Participating interest commitments	95,406,000
Equity commitments	45,000,000
Bond fund commitments	118,811,949
Equity fund commitments	47,413,701
Infrastructure fund commitments	38,341,184
Commitments to acquire other securities	871,265,000
Commitments to dispose of other securities	2,581,081,947
IT projects commitments	1,608,429
IRS swap - Receive leg	500,000,000
IRS swap - Pay leg	500,000,000
Property lending commitments	17,400,000
Estimate of additional compensation - flooding	15,800,000

N° 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	
	2022	2021	2022	2021
C. II. Investments in associated companies and participations	**357,169,140**	**410,498,678**	**159,915,539**	**54,244,361**
1 + 3 Participating interests	357,169,140	410,498,678	146,863,129	41,092,557
2 + 4 Certificates, bonds and receivables	0	0	13,052,410	13,151,804
- Others	0	0	13,052,410	13,151,804
D. II. Investments in associated companies and participations	**3,271,915**	**4,751,072**	**0**	**0**
1 + 3 Participating interests	3,271,915	4,751,072	0	0
E. Receivables	**2,535**	**55,449**	**619,019**	**902,784**
I. Receivables arising from direct insurance operations	2,535	37,757	341,943	709,339
III. Other receivables	0	17,692	277,076	193,445

Relevant items of the balance sheet	Associated companies		Companies linked by a participating interest	
	2022	2021	2022	2021
B. Subordinated debts	**3,500,000**	**3,500,000**	**0**	**0**
G. Debts	**8,681,097**	**12,878,563**	**0**	**0**
I. Receivables arising from direct insurance operations	0	0	0	0
V. Other debts	8,681,097	12,878,563	0	0

	Associated companies	
	2022	2021
Other significant financial commitments	95,473,000	8,831,582

N°18bis. Relations with associated companies

Relations with the associated companies (*)		
	2022	2021
1. Amount of the financial fixed assets	**123,183,506**	**79,700,890**
- Participating interests	123,183,506	79,700,890
2. Receivables on associated companies	**1,812,500**	**37,500**
- Within one year	1,812,500	37,500
5. Other significant financial commitments	**337,225,893**	**188,484,158**

(*) Associated companies in accordance with article 12 of the Belgian Company Code

N° 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	0
- to directors and managers *	341,357

* 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)

N° 19bis. Financial relations with:

The statutory auditor and the persons with whom he is linked	Amounts
1. Remuneration of the statutory auditor:	**947,320**
2. Fees for exceptional services or special missions accomplished within the company by the statutory auditor:	**21,120**
- Other control missions	**21,120**
- 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:	
- 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 is 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, the following criteria are taken into account 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 these 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 deferable 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° 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

N° 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	25,323,710

Derivative financial instruments used	
Forward bonds coupled with forward swaps	12 acquisition transactions and 7 financial year transactions
Forward bonds sell	40 acquisition transactions and 2 financial year transactions
Inflation swap	2 acquisition transactions and 2 disposal transactions
Index Put/Call	26 acquisition transactions and 15 disposal 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			-314,772	
Forward bonds sell	1,289,418			
Cap/floor				
Inflation swap				-260,676
Index Put/Call	-2,031,560		-1,069,271	

Goodwill

The amount of 27 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 10.5 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 16.7 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 November 2022, 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.

The COVID-19 pandemic

Since the beginning of the pandemic, Ethias has wanted to play an active social role by providing assistance to several actors in our society. In 2022, Ethias continued this commitment by providing free Civil Liability and Bodily Injury insurance for all COVID vaccination centers and by offering - beyond insurance - its support to sectors that needed it:

- Immediately after spring half-term, Ethias distributed 1,500 jars of hydroalcoholic gel to the insured schools of nursery, primary and secondary education.
- Ethias granted the cultural sector a 25 % discount on the 2022 fire insurance premium.
- Ethias offered a new premium reduction for Belgian sports federations.

Flooding of July 2021

Following the floods of July 2021, the insurers and the Regions have joined forces in order to fully compensate the claims insured in Simple Risks. An intervention protocol was signed in August 2021 to share the burden. This protocol stipulated that once the claims payments exceeded the insurer’s double intervention limit, a “loan” was recognized as financial asset item per Region. This would contain 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. This protocol provided that if the estimated threshold of 1.7 billion was exceeded, the parties would meet again to examine and specify the cost allocation mechanism, referred to in the protocol as the “Rendezvous Clause”.

As of October 31, 2022, the estimated total amount of Simple Risks claims in Wallonia was 1,996 million euros and the payments made by the insurers amounted to 1,693 million euros. The Rendezvous Clause was therefore triggered. In January 2023, it was agreed that the Walloon Region would intervene for an amount of 1,030 million. The nine insurers concerned by the Rendezvous Clause will take charge of all compensation due beyond the maximum amount of intervention by Wallonia, on the basis of a proportional distribution key agreed between them.

As of December 31, 2022, the loans to the Regions amount to 191 million euros and the additional intervention of Ethias following the new agreement signed in January 2023 is estimated at over 60 million euros. An estimate of the amounts borne by the governments that the insurer will have to pay after December 31, 2022 is recorded in the off-balance sheet for an amount of 15.8 million euros.

20.4. 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.

2022 (During the year)	Total	Men	Women
Average amount of employees			
Full-time	1,543	832	711
Part-time	404	132	272
Total in full-time equivalents (FTE)	1,805	908	897
Number of hours actually worked			
Full-time	2,206,572	1,211,809	994,763
Part-time	384,186	121,622	262,564
Total	2,590,757	1,333,431	1,257,326
Employee benefit expenses			
Full-time	161,600,598	88,748,099	72,852,499
Part-time	28,136,236	8,907,100	19,229,136
Total	189,736,834	97,655,199	92,081,635
Amount of benefits granted in addition to wages	891,070	458,623	432,447

2021 (During the year)	Total	Men	Women
Average amount of employees	1,774	890	884
Number of hours actually worked	2,571,733	1,319,340	1,252,393
Employee benefit expenses	176,850,260	90,727,008	86,123,252
Amount of benefits granted in addition to wages	207,079	106,235	100,844

2022 (At the financial year's closing date)	Full-time	Part-time	Total (FTE)
Number of employees	**1,585**	**367**	**1,825**
By type of employment contract			
Permanent contract	1,519	364	1,756
Fixed-term contract	60	2	62
Replacement contract	6	1	7
By sex and educational level			
Men	846	119	916
secondary education	103	49	131
higher non-university education	439	48	468
university education	304	22	317
Women	739	248	909
secondary education	86	69	127
higher non-university education	377	115	462
university education	276	64	320
By professional category	-	-	-
Management staff	27	1	28
Clerical staff	1,558	366	1,797

Temporary staff and persons made available to the company

2022 (During the year)	Temporary staff
Average number of persons employed	4
Number of hours actually worked	7,496
Costs for the company	305,927

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.	**128**	**5**	**132**
By type of employment contract			
Permanent contract	80	3	82
Fixed-term contract	46	2	48
Replacement contract	2	0	2

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.	**104**	**53**	**134**
By type of employment contract			
Permanent contract	75	52	104
Fixed-term contract	27	1	28
Replacement contract	2	0	2
By reason of termination of the contract			
Retirement	9	43	31
Unemployment with company allowance	18	3	20
Dismissal	16	1	17
Other reason	61	6	66

Information about training for employees during the financial year

2022	Men	Women
Formal initiatives of continuing vocational training paid by the employer		
Number of employees involved	879	910
Number of hours of training	25,293	25,786
Net costs for the company	2,340,164	2,394,275
of which gross costs directly linked to trainings	2,259,083	2,310,335
of which contributions and deposits paid to collective funds	82,431	85,338
of which allowances and other financial benefits received (to be deducted)	1,350	1,398
Less formal or informal initiatives of continuing vocational training paid by the employer		
Number of employees involved	889	933
Number of hours of training	4,813	4,779
Net costs for the company	342,891	340,468

20.5. 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	13,000.00	27,500.00	13
Jacques Braggaar	Non-executive director	18,176.72	9,500.00	13
Marc Descheemaecker	Non-executive director	12,000.00	12,500.00	14
Kathleen Desmedt	Non-executive director	12,473.12	7,500.00	8
Olivier Henin	Non-executive director	18,744.28	9,500.00	13
Ingrid Loos	Non-executive director	21,842.52	12,500.00	18
Claude Melen	Non-executive director	22,591.33	12,500.00	18
Marc Meurant	Non-executive director	20,189.52	12,500.00	18
Philip Neyt	Non-executive director	9,000.00	7,500.00	9
Anne-Marie Seeuws	Non-executive director	17,339.60	9,500.00	13
Karl Van Borm (*)	Non-executive director	9,000.00	7,500.00	9
Bruno van Lierde	Non-executive director	16,000.00	22,500.00	18
Philippe Lallemand (**)	CEO	0.00	0.00	21
Wilfried Neven (**)	CXO	0.00	0.00	17
Nicolas Dumazy (**)	CSDO	0.00	0.00	13
Luc Kranzen (**)	CCDO	0.00	0.00	16
Joris Laenen (**)	CILO	0.00	0.00	17
Izabella Molnar (**)	CDTO	0.00	0.00	12
Maryline Serafin (**)	CFO	0.00	0.00	17
Benoit-Laurent Yerna (**)	CRO	0.00	0.00	18

(*) paid to the City of Antwerp

(**) 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	9,000.00	13,265.00	19
Maryline Serafin	Non-executive director	5,000.00	5,510.00	10

(***) 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	6,500.00	6,505.00	13
Myriam Van Varenbergh	Non-executive director	4,500.00	5,255.00	9

Name of the member of the executive commitee	Function	Gross remuneration (*)	Gross variable remuneration (*)
Philippe Lallemand	CEO	455,014.16	84,681.00
Joris Laenen	CILO	304,702.88	0.00
Maryline Serafin	CFO	304,702.88	0.00
Luc Kranzen	CCDO	304,702.88	50,091.00
Wilfried Neven	CXO	379,858.52	53,260.00
Benoit-Laurent Yerna	CRO	304,702.88	56,454.00
Izabella Molnar	CDTO	304,702.88	140,000.00
Nicolas Dumazy	CSDO	304,702.88	0.00

(*) does not include other benefits

20.6. Statutory auditor’s report on the financial statements for the year ended 31 December 2022

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 2022

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 fifteen 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 2022, 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 18.988.155.327 and a profit and loss account showing a profit for the year of EUR 188.555.931.

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 2022, 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 judgement, 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 2022, technical provisions amount to EUR 13.995 and represent 74% of the total balance sheet.

The adequacy test of these provisions is complex and relies on a significant degree of judgement. 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 not based on observable market data (so-called level 3).

As of 31 December 2022, the Company held assets valued by a third party (share funds, debt funds and non-quoted shares) and valued internally (corporate bonds) for a significant book value.

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.

Based on our procedures we believe that the retained fair values of these investments are reasonable.

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 judgement 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 and 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, 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

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 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 the directors' report. 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 the internationally recognized reference framework as disclosed in the directors' report to the annual accounts.

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 31 March 2022, 25 May 2022 and 14 December 2022 as described in section 12.4 of the directors' report and we have no remarks to make in this respect.

Diegem, 18 April 2023

The statutory auditor
PwC Reviseurs d’Entreprises SRL / PwC Bedrijfsrevisoren BV
Represented by

Tom Meuleman
Réviseur d’Entreprises / Bedrijfsrevisor

We're here for you.