INTERIM REPORT
30 JUNE 2023

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INTERIM REPORT

The half-yearly report of the Ethias Group, hereafter «the Group», includes the management report, the consolidated financial statements prepared in accordance with IAS 34 «Interim financial reporting» as adopted by the European Union.

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

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1 Key facts of the first half of 2023

1.1 Entry into force of IFRS 9 and IFRS 17

On January 1, 2023, two new standards with a major impact on the insurance sector came into force: IFRS 9 for investment assets and liabilities, and IFRS 17 for insurance contracts.

The financial statements for the first half of 2023 have been prepared on the basis of these two new standards and are compared with the restated 2022 financial statements. These comparative financial statements are therefore different from the financial statements presented in the 2022 reports.

A summary of the accounting principles as modified following the effective date is available in paragraph ***8.4 Summary of significant accounting principles.*** The impact of the transition on opening shareholders' equity is available in paragraph ***8.4.1.2*** under the heading ***Main impacts of the replacement of IFRS 4 and IAS 39 by IFRS 17 and IFRS 9***.

1.2 Market conditions in the first half of 2023

Inflation peak, resilient growth and a banking crisis

The "*inflation vs. recession*" tug-of-war characterised the first half of 2023 in financial markets, leading to numerous changes in markets' thematic from one month to another. The year started with the confirmation that inflation had finally peaked in the Euro Area, four months after the US, fuelling expectations that the ECB might begin to decrease its pace of monetary tightening as soon as March. Those expectations were further supported by the gradual slowdown in industrial production, retail sales and various indicators that seemed to vindicate the "soft-landing" thematic. It wasn't late until the mood switched to "never-landing" after strong payroll numbers, accompanied by a 50-year low print on the US unemployment rate, leading the market to reprice higher its expectations for Central Bank rate. Soon after came the US regional banking crisis, where over the course of 5 days, three small- and mid-sized US banks failed, prompting a switch to "hard-landing" risk and a sell-off in global markets. The rapid intervention of the Federal Reserve helped avoid a global contagion, even though its impact was felt as far as Europe, with the demise of Credit Suisse. The Swiss bank - already weakened by continuous outflows from it private-banking arm - was finally bought by UBS in an emergency arrangement supervised by Swiss authorities. Nevertheless, markets digested rapidly the Credit Suisse saga and re-focused on the surprising resiliency of growth (notably the still-strong US labour market). "Soft landing" was making a come-back, helping spreads and implied volatilities tighten back to their pre-crisis levels. Towards the end of this first half, the FOMC switched towards a more data-dependent approach, while the ECB decreased its pace of hikes from +50bp to +25bp per meeting. Markets then began a phase a horizontal consolidation, as the Eurostoxx 50 was capped at the 4.400 level and rates remained in a tight trading range. A few hiccups occurred here and there, notably around the deadline on the US debt ceiling, doubts regarding the strength of the Chinese economy and the lagged impact of higher rates on the demand and supply of credit in the US and Euro zone, but all of those elements did not alter global markets in a meaningful or sustainable manner.

Central Banks nearing the end of monetary tightening

Having brought their policy rates to respectively 4.0% and 5.25% at the end of June, the ECB and the Federal Reserve seem to get closer towards the end of their rate-hiking cycles. Inflation has decelerated, even though it remains still far above medium-term objectives. As monetary policy operates with a lag on the economy, the effect of past hikes still remains to be fully felt, but credit conditions are already showing some deterioration. Supply of credit becomes more restrictive and demand is also being affected by higher borrowing rates. With growth resilient and inflation still elevated, the scenario of "higher (rates) for longer" is gaining traction. At the end of June, markets were expecting the first rate-cuts for the ECB and the Fed not to occur before Q2 2024.

Soft landing could be achieved but uncertainties abound

During this first half, the EUR swap curve bear flattened, with 2-year yield reaching 3.88% (+50bp YTD) while 10-year yield were at 3.00% (-20bp YTD). Credit spreads continued to tighten, with a strong performance of the iTraxx Crossover, down 75bp YTD at 400bp. The Euro Stoxx 50 progressed by nearly 16%, at par with the US S&P500, although the European index had significantly outperformed its US peer since the start of the year. Energy commodities retreated, with oil down 12% and European gas off its highs (-53% YTD).

Judging from the behaviour of markets towards the end of the semester, it looked like the "soft landing" scenario has gained the upper hand, but huge uncertainties remain, on both the macro-economic as well as the geopolitical fronts. More specifically, we remain concerned by developments in the Russia-Ukraine conflict and its impact on food and energy prices and on geopolitical balances.

Impact on the financial management of Ethias

As rates moved higher and credit spreads widened in the first semester (especially after the US regional banking crisis), Ethias seized this opportunity to lock into attractive valuations in both Govies and Credit investments, with a view to securing higher levels of future profitability for its portfolio. The impact of higher rates on its performances has been very limited as Ethias kept a limited duration exposure and continued to reduce its sensitivity to governments spreads (vs. swap). Ethias also maintained strong selectivity in its investments, with a focus on diversification and excellent credit quality. Its approach paid off during this volatile semester, as Ethias had little to no exposure on US regional banks as well as on Credit Suisse.

1.3 Signing of the new agreement between insurers and the Walloon Region concerning the flooding of 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 provided that if the estimated threshold of EUR 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». The Rendezvous Clause was triggered at the end of 2022.

In January 2023, it was agreed that the Walloon Region would intervene for an amount of EUR 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.

1.4 Ethias successfully completes issuance of its first Green Bond totalling EUR 250 million

The issuance of subordinated bonds, launched in April 2023, within the framework of a Green Bond, was successfully completed. It enables Ethias to pursue its strategy of sustainable and responsible investments in the Belgian economy.

The issuance amounts to EUR 250 million, matures in 2033 and carries a coupon of 6.75%. It was accompanied by an offer to repurchase EUR 116.5 million of the Tier 2 subordinated debt issued by Ethias with a 2026 maturity and by the early reimbursement of the subordinated Tier 2 debt of EUR 75 million with a maturity set in July 2023.

This transaction further strengthens the alignment of Ethias' financing and investment policy with its ESG strategy. Indeed, the proceeds of the issuance will be used exclusively to finance eligible projects based on the classification adopted in Ethias' Green Finance Framework, and will be mainly oriented towards sustainable/green real estate and renewable energies. This Green Finance Framework received a second-party opinion from Sustainalytics.

1.5 Fitch affirms Ethias SA's IFS rating at 'A'

The rating agency Fitch once again affirms Ethias SA's Insurer Financial Strength (IFS) rating at 'A' with a stable outlook. This is proof of the insurer's solidity in a particularly volatile economic environment.

The maintenance of this rating demonstrates once again Ethias' financial strength as well as its good profitability and the robustness of its business model. It also attests to the relevance of the insurer's unique positioning and of its strategic choices, allowing the company to stay on course despite an out-of-the-ordinary context of overlapping crises.

Fitch underlines the insurer's very good capitalisation, driven by a very strong solvency ratio, as well as its good operating and financial performance. It also highlights its position as a direct insurer on the Belgian market, leader in the public sector.

1.6 New member on Ethias SA's Board of Directors

On May 17, Ethias SA's General Assembly approved the appointment of Dewi Van De Vyver as an independent director on Ethias SA's Board of Directors. With her keen sense of entrepreneurship, her recognised expertise in ICT (crowned by the title of "ICT Woman of the Year 2020"), her involvement in sustainable development and corporate social responsibility, and her commitment to gender equality, she will strengthen the skills of the Board of Directors. Her appointment has been approved by the National Bank of Belgium. She replaces Anne-Marie Seeuws, whose term of office comes to an end upon reaching the age limit.

1.7 Dividend payment

The General Assembly of 17 May 2023 approved the distribution of a dividend of EUR 108 million for fiscal year 2022.

1.8 Awards

For the second year in a row, Ethias has been certified as a Top Employer. With 87.82%, Ethias is above the average score for insurers in Belgium. The Top Employers Institute certifies companies that offer their employees the best possible working environment through innovative HR practices that focus on people.

Once again this year, Ethias won three DECAVI Insurance Awards Non-Life: Tenant insurance, Workers' Compensation insurance and Family insurance. This is the 5th time that Ethias has won the Workers' Compensation insurance award, in recognition of its involvement as a socially active insurer committed to helping victims of accidents in the workplace.

1.9 NRB formalises acquisition of Win from Nethys Group by end-May 2023

Following the granting of its 5G license last June, the NRB Group has taken a further step into the world of connectivity and telecommunications by acquiring Win, which becomes its 100%-owned subsidiary. WIN and NRB have a real strategic complementarity and are becoming a solid player in accelerating digital transformation.

1.10 Creation of Ethias Lease Corporation

With the creation of Ethias Lease Corporation, and the forthcoming launch of its commercial activity (approved by the European Commission at end-August), insurer Ethias is breaking new ground in the Belgian leasing world: it will be introducing an offer specifically designed to meet the multiple challenges faced by Belgian companies and local authorities in their transition to an electrified car fleet, while responding to the new fiscal reality. Ethias Lease will be able to offer a complete and integrated leasing solution. Ethias Lease is also negotiating with Santander Consumer Finance, through its specialist subsidiary Consumer Leasing, to draw on its operational expertise and thus provide an unrivalled personalised service.

2 Ethias' progress in sustainability

2.1 Environmental plan

2.1.1 Climate and decarbonisation: Ethias joins SBTi

Since December 2022, Ethias has joined SBTi (Science Base Targets Initiative). This involves a commitment to file and have validated by an independent body (within a maximum of 2 years), a plan containing decarbonisation targets (based on recognised scientific methods) in order to achieve carbon neutrality in line with the objectives of the Paris Climate Agreement. In doing so, Ethias has joined the «Business Ambition for 1.5°C» campaign. This is the world's largest and most dynamic group of companies working toward the goal of 1.5 degrees Celsius by helping to halve global emissions by 2050. By joining "Business Ambition for 1.5°C", Ethias is also part of "Race to Zero", the campaign supported by the United Nations. This global campaign seeks to rally the leadership of all non-state actors for a healthy, resilient and carbon-free recovery.

As of 2023, Ethias has set up a cross-functional working group within the company to work on implementing the decarbonisation plan for its operations and, above all, its investments. This plan will be submitted in December 2024.

Building on the commitment it made in 2021 by joining the "Belgian Alliance for Climate Action" (BACA), Ethias is continuing its trajectory towards Net Zero Carbon in 2050, and is giving itself even greater resources to achieve this goal. These ambitions go hand in hand with a growing desire to reduce the company's carbon footprint in a sustainable way, as well as its footprint on biodiversity.

2.1.2 Combating biodiversity loss

Ethias has made the fight against biodiversity loss a new strategic priority.

- 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 and 2023, Ethias is strengthening its efforts to protect biodiversity by joining forces with Natuurpunt to preserve the Zwarte Beek valley in Lummen. This 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 citizens and clients who live in high-risk areas.
- Finally, in 2023, Ethias supported the «Forest in One Day» reforestation campaign organised by the Jane Goodall Institute. In just one day, a forest of 3,680 trees was created, including 500 trees sponsored and planted directly by Ethias employees and their families.

2.1.3 New initiatives to encourage alternative mobility

A large proportion of our operational CO_2 emissions are linked to mobility (including vehicle fleets). Ethias therefore encourages its employees to adopt new behaviours in this respect through various actions and incentives:

- electrification of the vehicle fleet;
- organisation of an annual Soft Mobility/Less Carbon Fair;
- obtaining the 4-star «Tous Vélo-Actifs» label (for cycling initiatives);
- facilities and infrastructure for bicycle commuters: two secured cycle parking areas, showers, changing rooms, etc.;
- company bicycles available to employees;
- electric bike testing for two months with our partner Pro Vélo;
- incentives for carpooling (dedicated parking spaces for carpoolers, etc.);
- Collective bonus 2023: combating "auto-solism» (use of a car by a single person).

2.1.4 Launch of Ethias Lease - Green leasing

In June 2023, Ethias launched its new 100% electric leasing company. Its aim is to support the transition towards a greener, more socially responsible mobility.

This new activity is in line with the company's values and sustainability strategy aimed at achieving carbon neutrality for its operational activities by 2030. In doing so, Ethias also wants to support Belgian companies and public institutions in their transition to greener car fleets. This will enable them not only to reduce their carbon footprint, but also to meet new fiscal challenges. The choice for electric vehicles is also in line with political strategies at Belgian and European level, encouraging companies to move towards fleets of this type. The Belgian insurer is thus positioning itself as the new benchmark player in electric leasing.

2.1.5 "CatNat Plan 2.0"

Following the natural disasters that hit Belgium in 2021 (floods) and in 2022 (storms), and in response to the multiplication and intensification of climatic phenomena, Ethias has decided to draw up a new Natural Disasters Action Plan.

The ambition of this "CatNat Plan 2.0" is to further optimise the efficiency and proactivity of the Ethias teams by offering its policyholders who fall victim to a meteorological disaster a service of the highest quality.

The CatNat Plan is built around 4 axes:

- clear and agile governance (creation of a national disaster coordination unit; close monitoring of weather forecasts, etc.);
- increased response (setting up of a Disaster Support Team, etc.);
- implementation of measures to optimise the customer experience (appropriate crisis communication, rapid activation of the mobile crisis unit, etc.);
- consolidation of an improved reporting.

2.1.6 Impact investing

Ethias has continued to strengthen its growth in investments in Green Bonds, Social Bonds, Sustainable Bonds and Sustainability-Linked Bonds, exceeding the EUR 1 billion investment mark with new investments for an additional EUR 100 million.

Ethias has also set up a first mandate for one of its clients, tracking CTB (Climate Transition Benchmark) indices for an amount of EUR 200 million at June 30, 2023. This strategy aims to reduce greenhouse gas emissions year after year, at a rate consistent with a global warming scenario of 1.5 degrees. More generally, the climate indices seek to improve the investment profile in terms of alignment with the imperatives of the transition to a low-carbon economy.

Furthermore, Ethias continues to progressively strengthen the quality of the positions held in its portfolios and covered by our ESG rating provider. The ESG indicators are the following:

- ESG rating of private issuers: AA / stable (data coverage rate of 47%);
- ESG rating of public issuers: A / stable (data coverage rate of 88%);
- Footprint of 308 tonnes of CO2e/M€ invested (compared with 232 tonnes at December 31).

In March 2023, Ethias signed an agreement with BPI Real Estate for the acquisition of the Wood Hub building. Wood Hub can be considered as one of the most ambitious buildings in the Benelux in terms of sustainability. With its mixed wood and concrete load-bearing structure, its «fossil free» and «smart building» energy management (thanks to the VMANAGER technology), and its "BREAAM® Outstanding" and «WELL® Platinum" certifications, the Wood Hub building sets a new standard for innovative sustainable construction. Wood Hub fits in perfectly with the sustainable and responsible investment policy that Ethias plans to develop in the future. This acquisition is part of the diversification process for its real estate portfolio and perfectly meets its requirements in terms of quality, comfort for future occupants and ecological sustainability.

In addition, Ethias has teamed up with SFPI/FPIM to create Cityforward, a real estate fund managed by the Whitewood capital fund manager, to draw up a plan for redeveloping 21 obsolete buildings of the European Commission into a sustainable urban district in line with ESG principles. The site covers a total of 300,000 square meters of existing office space. SFPI/FPIM, as a government agency, will purchase the buildings and Cityforward will take care of the redevelopment work. The entire operation is the result of a collaboration with the Brussels Region, the municipalities and government bodies.

Lastly, Ethias has continued to roll out its investment programme in alternative assets (private debt, private equity, infrastructure, etc.) with a bias towards infrastructure, enabling the company to pursue its objectives in Green and Social assets. Examples include investment in onshore wind parks in Belgium, third-party financing of photovoltaic projects in Belgium and the acquisition of a stake in Fluxys Group in connection with the development of hydrogen in Belgium.

2.2 Societal/Social plan

2.2.1 Societal

The fight against poverty among young people is one of the priorities of Ethias' Sustainability strategy in terms of societal responsibility. Ethias focuses on philanthropy and partnerships to achieve this objective.

Second edition of the Ethias Youth Solidarity Awards

In 2023, Ethias launched a second edition of the Ethias Youth Solidarity Awards (EYSA), aimed at fighting youth poverty. A budget of EUR 275,000 was distributed among 14 winning Public Social Welfare Centres (PSWCs).

Building on the success of the first EYSA, Ethias decided in January 2023 to launch a second call for projects to the PSWCs. Once again, they were invited to submit a project aimed at fighting poverty among young people. Projects could address cultural participation, access to education, budget support, etc.

Pelicano and Ethias combatting child poverty

Ethias has a long-standing partnership with the Pelicano Foundation. Most of the proceeds or donations collected internally (sale of Ethias honey, donations via the company's cafeteria plan, etc.) are given to Pelicano in order to cover the basic needs of Belgian children living in poverty.

Digit4Youth

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. NRB, Ethias' IT subsidiary, is also a major donor. Consolidated figures for 2023 donations will be available in Ethias' next annual report.

2.2.2 Social

In terms of human resources, social cohesion and employee well-being are top priorities for Ethias, as demonstrated by the progress made in the first half of 2023 (see below).

Ethias elected Top Employer for the second year in a row

On January 17, 2023, Ethias was officially certified as a Top Employer for the second consecutive year. Ethias is above or on a par with its competitors in 5 of the 6 areas analysed in the Top Employer survey.

The most significant improvements on our previous certification were achieved in Sustainability and in Diversity & Inclusion.

New Wellbeing strategy

In May 2023, Ethias published its new Wellbeing Charter. Structured around 3 strategic axes (Work, Workforce & Workplace), the charter contains 10 guiding principles that are consistent with the company's HR and Sustainability strategies.

The right to disconnect, a climate of trust, zero tolerance of undesirable behaviour, preventive actions ... These are just some of the principles that contribute to making Ethias' vision of well-being a reality: «At Ethias, the Human aspect is a cardinal value and we start from the principle that by taking care of our employees, we take care of the company and its clients".

Ethias Young Talent Development Programme

The Ethias Young Talent Development Programme 2022-2023, organised in collaboration with HEC Liège and UHasselt, enabled a diverse group of young Ethias colleagues to benefit from a training programme on the skills for tomorrow.

Participants attended inspirational sessions related to the world of insurance, digital transformation, project management, customer experience, change & leadership and sustainability. They also had the opportunity to work on certain personal skills through, for example, French or Dutch language lessons. Finally, they worked in groups on specific innovation projects under the guidance of an internal mentor and in collaboration with the various entities of the Ethias Group.

Sustainability challenges: rising awareness & training

Raising awareness among Ethias employees is an integral part of the company's sustainability strategy and is considered by all to be essential for a successful integration of sustainability into the company's core business.

In 2022-2023, this has been achieved in various ways:

- training in sustainability issues, including regulatory aspects, for the members of the Executive Committee and the Board of Directors;
- raising awareness and training employees in various departments on the challenges of climate change through "Climate Fresk" workshops; In the first half of 2023, 76 employees received a training through this workshop. From September onwards, a group of in-house trainers will be formed so that this format of awareness-raising workshops can be rolled out on a large scale at Ethias;
- a conference-debate on regenerative economy (speaker: Guibert Del Marmol);
- info lunches on Ethias' transition plan (decarbonisation of operations and of the investment portfolio).

Alongside these training courses, the activities organised by our in-house sustainability community - the ReGeneration Movement - have also helped to raise awareness of these issues among our colleagues.

ReGeneration Movement: inspiring and taking action

The ReGeneration Movement, created in 2022, is Ethias' in-house community dedicated to sustainability. The group continues to expand internally and offer sustainability-related activities. It is made up of around a hundred employees committed to sustainability and willing to take concrete action in an active way:

- Partnership with the "Coopérative Ardente" (a cooperative offering more than 800 locally produced, bio and/or fair-trade food and household products)
- Reforestation Day: «Forest in One Day"
- A catalogue of sustainable teambuilding activities
- Bike tours
- Corporate challenge - Green IT (cleaning up mailboxes and reducing e-mails)
- Inspiring conferences
- A jumble sale (clothes and toys)

In September 2023, a major corporate challenge will be held over a 3-week period via the «Ma Petite Planète» (MPP) platform, with the particularity of being organised at Ethias Group level.

2.3 Regarding sustainability

2.3.1 EcoVadis Silver Medal 2023

In its 3rd consecutive year of assessment, Ethias has consolidated its Silver Medal, making it one of the best performing companies in this area (all sectors combined). In addition to the numerous environmental and societal actions, EcoVadis highlights the company's progress in Responsible Purchasing.

2.3.2 Trends Impact Awards

Ethias has been nominated for the Trends Impact Awards in two categories:

- the «Resilience» category, for its "UrbanData" project;
- the «Wellbeing» category, for its new policy on well-being in the workplace.

2.3.3 Integrating EGS criteria into remuneration policies

At Ethias, remuneration is partly linked to the achievement of ESG objectives.

The variable remuneration for the members of the Executive Committee is linked to achievement of:

- a collective objective to reduce Ethias' carbon footprint;
- and individual objectives linked to the implementation of the sustainability strategy within the various Ethias departments.

Furthermore, the granting of the collective bonus 2023 to all Ethias employees will be subject to the achievement of a target to combat "auto-solism". This means, in concrete terms, that a number of home-to-work journeys must be made by any means other than «alone in the car».

2.3.4 Launch of Ethias' materiality survey

Ethias launched its first materiality survey among its main internal and external stakeholders in June 2023.

This survey was carried out as part of the reporting obligations imposed by the European legislator in the Corporate Sustainability Reporting Directive (CSRD). From 2025 onwards, companies subject to the CSRD will be required to carry out a materiality analysis to determine the issues on which they have a real or potential impact.

The ultimate aim is to establish a relevant hierarchy of sustainability strategy issues by comparing the company's priorities (internal axis) with the expectations of its various stakeholders (external axis). The themes thus highlighted should then be the subject of appropriate reporting in the integrated annual report.

The results of Ethias' materiality survey will be published in the next annual report.

3 Key figures

3.1 Essential data of the consolidated income statement

In thousands of euros	30 June 2023	30 June 2022 restated	Change during the year
Insurance service result	146,401	106,517	37.44%
Net revenue from investment	177,496	74,510	138.22%
Financial expenses from insurance and reinsurance contracts	(80,783)	(73,842)	9.40%
Net result from insurance and investment	**243,113**	**107,186**	**126.82%**
Other revenue and expenses	(60,014)	(36,942)	62.45%
Net profit (loss) before tax	**183,100**	**70,243**	**160.66%**
Income taxes	(40,748)	(24,950)	63.32%
Net profit (loss) after tax	**142,352**	**45,293**	**214.29%**
Share of the associated companies in the result	373	(5,106)	-107.30%
Net consolidated profit (loss)	142,724	40,187	255.15%
Group's share	138,097	33,810	308.45%
Non-controlling interests	4,628	6,377	-27.44%

3.2 Essential data of the consolidated financial position

In thousands of euros	30 June 2023	31 December 2022 restated	Change during the year
Total assets	**18,926,403**	**18,303,260**	**3.40%**
Equity of the Group	1,922,881	1,830,843	5.03%
Contractual service margin (1)	747,628	731,181	2.25%
Economic value	**2,670,509**	**2,562,024**	**4.23%**
Non-controlling interests	**76,154**	**72,041**	**5.71%**
Annualised operating ROE	**18.99%**	**10.87%**	**8.11%**
Gross written premiums (2)	**1,938,567**	**2,914,022**	**-33.47%**

(1) Net of tax.

(2) Gross premiums written are not an indicator defined under IFRS 17.

3.3 Regulatory coefficients

	30 June 2023	31 December 2022	Change during the year
Solvency ratio of the company Ethias SA	180%	170%	10%

The Solvency II margin at end-June 2023, established according to the standard formula, stands at 180% after deduction of a foreseeable dividend of EUR 55 million. Excluding this foreseeable dividend, the SII margin amounts to 184%.

3.4 Other key figures

	30 June 2023	31 December 2022	Change during the year
Number of employees	4,551	4,386	3.75%
Ethias SA	1,925	1,952	-1.38%
NRB Group	2,515	2,324	8.20%
Glasfaser Ostbelgien	2	-	-
IMA Benelux	109	110	-0.91%

4 Result of the financial year

The first half of 2023 records a net result of EUR 138 million for the Group, split between the Non-Life business (EUR 103 million), the Life business (EUR 96 million), the other activities of the Group (EUR -22 million) and taxes (EUR -39 million). Taking into account minority interests, the consolidated net result amounts to EUR 143 million.

The increase in the Group's net result compared with June 30, 2022 restated (EUR +104 million) is mainly explained by the change in unrealised gains and losses on financial assets measured at fair value through profit or loss.

5 Management of financial and insurance risks

5.1 Insurance risks

5.1.1 Concentration risk

The insurance activities of the Group are concentrated in Belgium.

We can note a concentration of underwriting on Workers' Compensation products, resulting from the Group's strategy («1st insurer of the public sector»).

5.2 Financial risks

5.2.1 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.

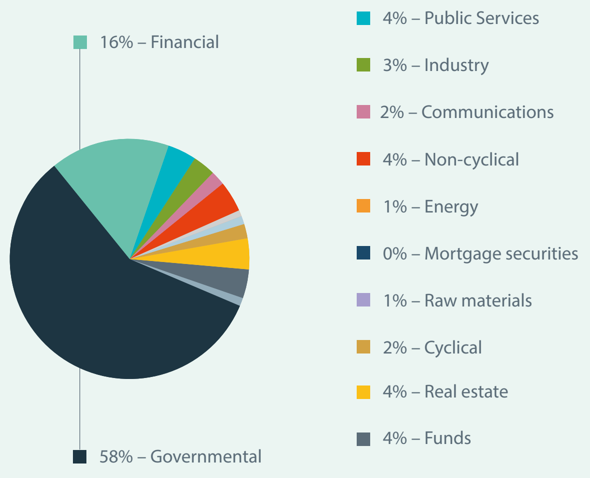
5.2.1.1 Sectoral distribution

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.

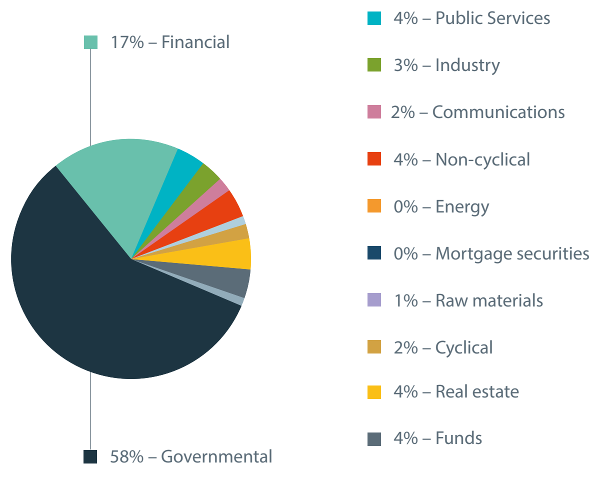
In 2022 and 2023, the sectoral distribution of the shares and investment funds as well as of the bonds and similar securities invested appears as follows:

Bonds and similar securities:

30 June 2023
Breakdown by market value

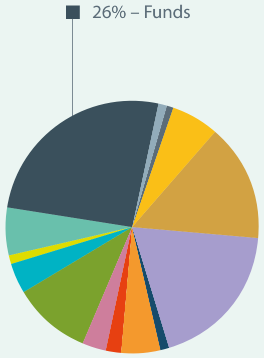


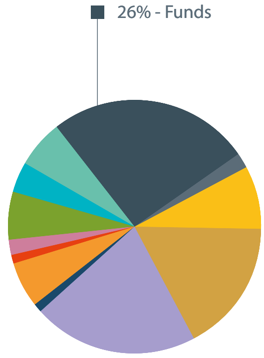
31 December 2022
Breakdown by market value



Shares, participating interests and investment funds:

30 June 2023 Breakdown by market value	31 December 2022 restated Breakdown by market value





5.2.1.2 Exposure to sovereign risk

At end-June 2023, the part invested in sovereign or supranational debt amounts to 63% of the total amount of the fair value of all the bonds (i.e. EUR 7,140.5 million on a total of EUR 11,288.3 million). End-2022, this part amounted to 62% (i.e. EUR 7,001.5 million on a total of EUR 11,251.7 million).

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	30 June 2023	31 December 2022
Germany	567,229	561,974
Austria	165,210	162,449
Belgium	1,923,940	1,985,150
Canada	2,910	2,826
Croatia	2,683	0
Spain	655,939	596,735
Central and Eastern Europe	357,337	354,048
France	961,582	996,709
Ireland	358,081	359,769
Italy	636,200	525,322
The Netherlands	23,313	12,631
Scandinavia	72,342	73,244
Portugal	607,876	582,293
Supranational securities	596,774	589,514
Others	209,096	198,787
Total	**7,140,513**	**7,001,451**

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, EUR 7,140.5 million per June 30, 2023 (against EUR 7,001.5 million per December 31, 2022), is higher than the amount mentioned under the sector «Governmental», i.e. EUR 6,591.5 million (against EUR 6,473.1 million per December 31, 2022).

5.2.2 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	30 juin 2023						
	AAA	AA	A	BBB	BB and below	No rating	Total
Bonds and similar securities	803,595	3,993,450	2,083,053	3,522,438	208,765	677,042	11,288,342
Loans and deposits	-	21,893	180,866	60,200	-	892,913	1,155,871
Receivables	-	-	-	-	-	477,460	477,460
Cash and cash equivalents	-	-	613,487	-	27	91,065	704,579
Total	803,595	4,015,343	2,877,406	3,582,637	208,792	2,138,479	13,626,252

In thousands of euros In market value	31 December 2022 restated						
	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	717,441	11,251,739
Loans and deposits	-	18,865	166,995	58,271	-	835,141	1,079,273
Receivables	-	-	430	-	-	412,742	413,172
Cash and cash equivalents	-	-	530,675	29,960	187	116,914	677,736
Total	841,892	4,069,745	2,693,996	3,566,104	167,943	2,082,239	13,421,920

For «Bonds and similar securities», very few changes in rating are observed in 2023. The evolutions are due to reinvestments and to the variation of the market values of investments.

6 Events subsequent to the date of the consolidated balance sheet

There were no events subsequent to the date of the consolidated balance sheet.

7 Consolidated financial statements

7.1 Consolidated balance sheet

In thousands of euros	Note	30 June 2023	31 December 2022 restated
Goodwill	9.1	**96,762**	**76,651**
Other intangible assets	9.2	**111,767**	**122,044**
Operational buildings and other tangible fixed assets	9.3	**46,986**	**40,115**
Right-of-use of assets		**68,036**	**51,837**
Investments in associated companies		**210,927**	**198,464**
Investment properties	9.3	**421,720**	**426,296**
Financial assets at fair value through other comprehensive income		9,177,714	8,971,641
Debt instruments		8,479,527	8,374,820
Equity instruments		698,187	596,822
Financial assets at fair value through profit or loss		1,319,736	1,289,188
Financial assets recognised at amortized cost		3,455,285	3,452,158
Derivative financial instruments		255,085	372,878
Investments belonging to unit-linked insurance contracts designated at fair value through profit or loss		2,053,024	1,609,303
Financial investments	9.4	**16,260,844**	**15,695,168**
Insurance contract assets	9.8	**10,977**	**29,267**
Reinsurance contract assets	9.5	**130,760**	**160,864**
Deferred tax assets	9.6	**336,532**	**357,409**
Receivables arising from insurance operations or accepted reinsurance	9.7	**49,223**	**47,885**
Receivables arising from ceded reinsurance operations	9.7	**179,085**	**146,425**
Other receivables	9.7	**249,151**	**218,862**
Any other assets		**49,053**	**40,328**
Cash and cash equivalents		**704,579**	**677,736**
Assets available for sale including assets from discontinued operations		**-**	**13,909**
Total assets		**18,926,403**	**18,303,260**
Share capital		1,000,000	1,000,000
Reserves and retained earnings		1,347,303	1,443,355
Net profit (loss) of the period		138,081	4,432
Other items of comprehensive income		(562,503)	(616,944)
Equity of the Group		**1,922,881**	**1,830,843**
Non-controlling interests		**76,154**	**72,041**
Total equity		**1,999,034**	**1,902,884**
Insurance contract liabilities	9.8	**9,508,396**	**9,067,804**
Reinsurance contract liabilities	9.5	**4,769**	**(0)**
Investment contract liabilities	9.9	**5,122,936**	**5,145,957**
Subordinated debts	9.10	**537,950**	**495,106**
Lease obligations	9.10	**65,236**	**50,513**
Other financial debts	9.10	**517,286**	**583,304**
Employee benefits	9.11	**173,076**	**189,647**
Provisions		**10,891**	**12,308**
Derivative financial instruments		**219,071**	**238,821**
Tax liabilities payable		**77,554**	**79,243**
Deferred tax liabilities	9.6	**20,083**	**20,622**
Liabilities from operating activities	9.12	**234,601**	**230,489**
Other payables	9.12	**435,519**	**286,259**
Liabilities related to assets available for sale and discontinued operations		**-**	**304**
Total other liabilities		**16,927,369**	**16,400,376**
Total liabilities		**18,926,403**	**18,303,260**

The statements and notes of sections 7 to 11 form an integral part of the consolidated financial IFRS statements as at 30 June 2023.

7.2 Consolidated income statement

In thousands of euros	Notes	30 June 2023	30 June 2022 restated
Insurance revenue		942,853	952,466
Insurance service expenses		(767,294)	(838,964)
Net expenses from reinsurance		(29,158)	(6,985)
Insurance service result	**10.1**	**146,401**	**106,517**
Revenue from financial assets not measured at fair value through profit or loss		168,901	198,124
Net revenue from the sale of assets measured at amortised cost		(412)	183
Net revenue from the sale of assets measured through other items from the comprehensive income		8,504	10,229
Net revenue from assets measured at fair value through profit or loss		138,722	(340,048)
Net change in liabilities for investment contracts		(117,063)	221,116
Amortisation and impairment of investment property		(4,730)	(5,538)
Net losses of credit value on investments		(9,319)	(3,560)
Other investment-related financial expenses		(7,109)	(5,995)
Net revenue from investment	**10.2**	**177,496**	**74,510**
Financial expenses from issued insurance contracts		(81,849)	(74,744)
Financial revenue from held reinsurance contracts		1,066	902
Financial expenses from insurance and reinsurance contracts	**10.3**	**(80,783)**	**(73,842)**
NET RESULT FROM INSURANCE AND INVESTMENT		**243,113**	**107,186**
Other operating revenue		238,394	218,910
Other operating expenses		(282,916)	(246,338)
Asset management fees charged		5,794	4,132
Finance costs		(21,285)	(13,646)
Goodwill impairment		-	-
NET PROFIT (LOSS) BEFORE TAX		**183,100**	**70,243**
Income taxes		(40,748)	(24,950)
NET PROFIT (LOSS) AFTER TAX		**142,352**	**45,293**
Share of the associated companies in the result		373	(5,106)
Net profit (loss) from discontinued operations		-	-
NET CONSOLIDATED PROFIT (LOSS)		**142,724**	**40,187**
Group's share		138,097	33,810
Non-controlling interests		4,628	6,377

7.3 Consolidated statement of comprehensive income

In thousands of euros	30 June 2023	30 June 2022 restated
NET CONSOLIDATED PROFIT (LOSS)	**142,724**	**40,187**
Actuarial gains and losses on defined benefit pension liabilities	7,219	36,270
Change in fair value of equity instruments measured at fair value through other comprehensive income	41,616	(153,325)
Share of the associated companies in the other items of comprehensive income	11,635	-
Tax	(1,805)	(9,067)
Items that will not be reclassified to the income statement	**58,666**	**(126,122)**
Change in fair value of debt instruments measured at fair value through other comprehensive income	241,779	(2,036,398)
Change in fair value of derivative instruments designated as cash flow hedges	(98,218)	22,424
Financial expenses from issued insurance contracts	(169,822)	1,686,557
Financial revenue from held reinsurance contracts	891	(11,469)
Exchange rate differences of foreign currency	810	(928)
Share of the associated companies in the other items of comprehensive income	-	-
Tax	4,189	93,553
Items likely to be reclassified to the income statement	**(20,371)**	**(246,261)**
TOTAL OF OTHER ITEMS OF COMPREHENSIVE INCOME OF THE FINANCIAL YEAR	38,295	(372,383)
NET CONSOLIDATED COMPREHENSIVE INCOME ATTRIBUTABLE TO:	**181,019**	**(332,196)**
Group’s share	176,392	(338,573)
Non-controlling interests	4,628	6,377

7.4 Consolidated cash flows statement

In thousands of euros	Notes	30 June 2023	30 June 2022 restated
Net profit (loss) before tax (Total 1)		**183,100**	**70,243**
Depreciations and impairments on intangible and tangible assets	9.2, 9.3	29,194	24,426
Change in depreciations on financial instruments and investment properties	9.3, 9.4, 10.2	14,048	9,098
Change in fair value on investments through profit or loss	9.4, 10.2	(96,349)	351,412
Provisions for risks and expenses, and other liabilities		(10,490)	(15,585)
Result from insurance contracts	9.5, 9.8, 10.1, 10.3	(65,618)	(32,675)
Result from investment contracts	9.9, 10.2	111,269	(225,248)
Deduction of amounts included in the current result before tax for inclusion in the actual cash flows		(179,991)	(197,314)
Corrections of the amounts that do not impact cash flows (Total 2)		(197,937)	(85,886)
Dividends and instalments on earned dividends		26,601	25,073
Earned financial income	10.2	216,069	239,427
Use of provision for employee benefits		(9,253)	(9,554)
Change in current receivables and debts	9.7, 9.12	104,322	(32,421)
Change in liabilities from insurance contracts	9.5, 9.8	390,441	370,919
Change in liabilities from investments contracts	9.9	(134,289)	22,198
Tax paid		(22,862)	(24,332)
Other changes (Total 3)		**571,028**	**591,310**
Net cash flows from operating activities (Total 1+2+3)		**556,191**	**575,667**
Shares in subsidiaries, net of acquired cash in hand	8.3	(5,380)	(13,003)
Acquisitions of financial assets and investment properties	9.3, 9.4	(1,743,120)	(2,210,484)
Acquisitions of intangible and tangible fixed assets	9.2, 9.3	(30,647)	(8,722)
Disposals of shares in subsidiaries, net of transferred cash	8.3	10,843	-
Disposals of financial assets and investment properties	9.3, 9.4	1,386,989	2,014,375
Disposals of intangible and tangible fixed assets	9.2, 9.3	28	3,770
Net cash flows from investing activities		**(381,286)**	**(214,063)**
Subscription to capital increase		-	-
Capital refund		-	-
Dividends paid by the parent company		(108,000)	(105,000)
Dividends paid to third parties		(7,480)	(8,980)
Issues of financial liabilities	9.10	250,274	3,472
Refund of financial liabilities	9.10	(203,827)	(2,711)
Interests paid on financial liabilities		(12,091)	(20,465)
Issuance of lease obligations	9.10	21,860	44
Reimbursement of lease obligations	9.10	(11,034)	(10,651)
Interest paid on lease obligations		(256)	(156)
Net cash flows from financing activities		**(70,555)**	**(144,447)**
Total cash flows		**104,350**	**217,157**
Cash or cash equivalents at the beginning of the period		**132,397**	**(271,004)**
Cash or cash equivalents at the end of the period		**232,996**	**(55,215)**
Change in the cash accounts		104,350	217,157
Impacts of exchange rate differences of foreign currency and of other transactions		71	(17)
Changes in accrued interests not yet due on cash equivalents		(3,823)	(1,351)
Change in expected credit losses on cash equivalents		-	-
Re-evaluation of cash flows equivalents through equity		-	-
Change in cash		**100,598**	**215,789**

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 recognised in the income statement.

7.5 Consolidated statement of changes in equity

In thousands of euros	2023					
	Subscribed capital	Result carried forward	Other items of comprehensive income	Equity of the Group	Non-controlling interests	Total equity
Equity as of 1 January	**1,000,000**	**1,447,787**	**(616,944)**	**1,830,843**	**72,041**	**1,902,884**
Net consolidated profit (loss)	-	138,097	-	138,097	4,628	142,724
Total of other items of comprehensive income of the financial year	-	-	38,295	38,295	-	38,295
Other movements	-	-	-	-	-	-
Net consolidated comprehensive income	**-**	**138,097**	**38,295**	**176,392**	**4,628**	**181,019**
Capital movements	-	-	-	-	-	-
Dividends	-	(108,000)	-	(108,000)	(7,480)	(115,480)
Transfers due to sale of Equity investments	-	(16,137)	16,137	-	-	-
Change in the consolidation scope	-	23,638	8	23,646	6,966	30,611
Other movements	-	-	-	-	-	-
Equity as of 30 June	**1,000,000**	**1,485,384**	**(562,503)**	**1,922,881**	**76,154**	**1,999,034**

In thousands of euros	2022 restated					
	Subscribed capital	Result carried forward	Other items of comprehensive income	Equity of the Group	Non-controlling interests	Total equity
Equity as of 1 January	**1,000,000**	**1,513,075**	**(171,305)**	**2,341,770**	**73,950**	**2,415,720**
Net consolidated profit (loss)	-	33,810	-	33,810	6,377	40,187
Total of other items of comprehensive income of the financial year	-	-	(372,383)	(372,383)	-	(372,383)
Other movements	-	-	-	-	-	-
Net consolidated comprehensive income	**-**	**33,810**	**(372,383)**	**(338,573)**	**6,377**	**(332,196)**
Capital movements	-	-	-	-	-	-
Dividends	-	(105,000)	-	(105,000)	(8,980)	(113,980)
Transfers due to sale of Equity investments	-	27,760	(27,760)	-	-	-
Change in the consolidation scope	-	(3,947)	-	(3,947)	(6,227)	(10,174)
Other movements	-	-	-	-	-	-
Equity as of 30 June	**1,000,000**	**1,465,698**	**(571,448)**	**1,894,250**	**65,120**	**1,959,370**

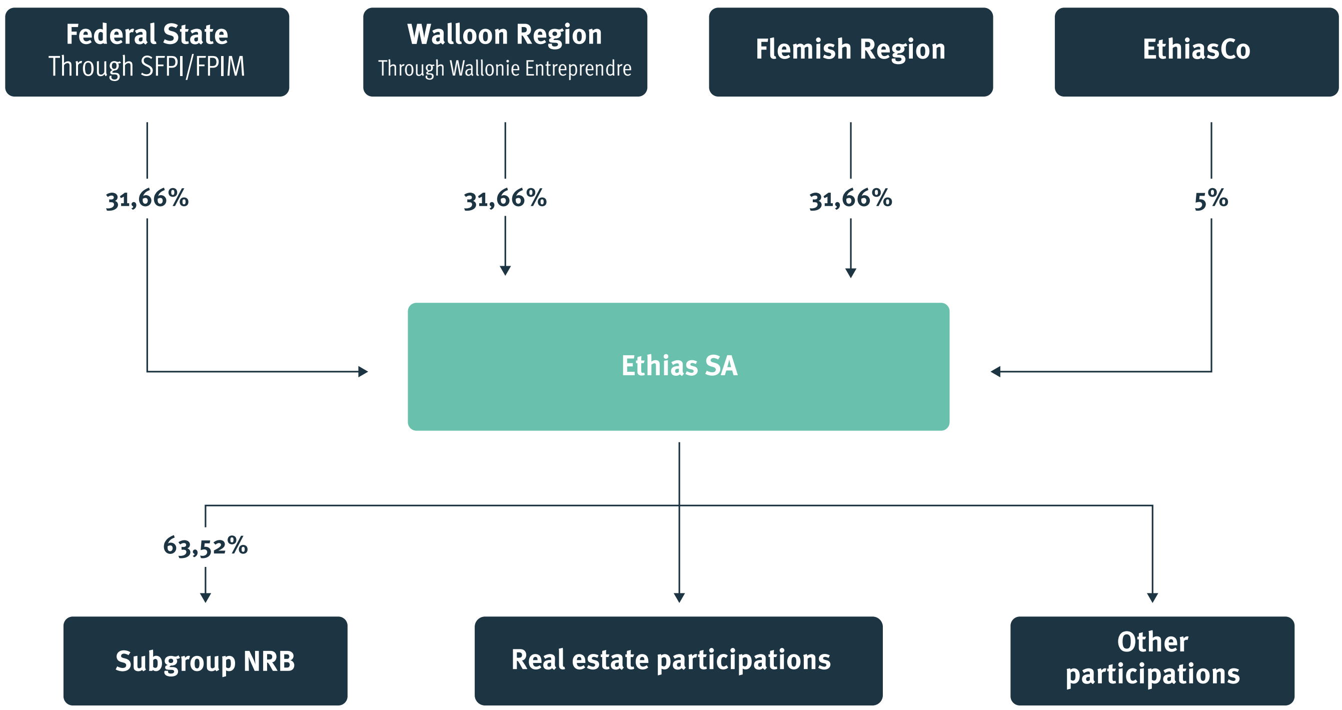
The dividends distributed are composed of the dividend paid by Ethias SA to its shareholders (EUR 108 million compared with EUR 105 million in 2022) and the dividends distributed outside the Group (EUR 7.5 million compared with EUR 9 million in 2022), mainly by the NRB sub-group.

In 2023, the line «Change in scope» includes an increase in the Group's equity following the change in percentage of NRB. Minority interests are also impacted by this change as well as by the integration of Abiware and NeWIN and its subsidiaries in the consolidation. In 2022, the line «Change in scope» includes a decrease in the Group's equity following the change in percentage of Infohos. Minority interests are also impacted by this change as well as by the integration of Ink Consulting in the consolidation.

8 General information

8.1 Legal structure

Its legal structure is as follows:



Ethias SA centralises 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), Ethias Lease (electric vehicle leasing company), NRB (IT company), IMA Benelux (service company specializing in assistance), Green4You (installation and maintenance of renewable energy production equipment), Glasfaser Ostbelgien (development of the fibre optic network in the German-speaking Community) 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).

8.2 Consolidation scope

List of the consolidated subsidiaries

	30 June 2023					31 December 2022		
	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	0.00%	0.00%	100.00%	100.00%	Cession
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%	

	30 June 2023					31 December 2022		
	Country	Sector	Currency	Integration percentage	Control percentage	Integration percentage	Control percentage	Change in scope
NRB Group								
Abiware	Belgium	IT	EUR	0.00%	0.00%	0.00%	0.00%	Acquisition and absorption by Cevi
Adinfo	Belgium	IT	EUR	32.39%	51.00%	34.88%	51.00%	Change in percentage
Afelio	Belgium	IT	EUR	63.52%	100.00%	68.39%	100.00%	Change in percentage
Altair	Belgium	IT	EUR	0.00%	0.00%	68.39%	100.00%	Absorbed by SLM
Athena Informatic	Belgium	IT	EUR	0.00%	0.00%	68.39%	100.00%	Absorbed by SLM
B-data	Belgium	IT	EUR	32.39%	51.00%	34.88%	51.00%	Change in percentage
Cevi	Belgium	IT	EUR	32.39%	100.00%	34.88%	100.00%	Change in percentage
Computerland	Belgium	IT	EUR	63.52%	100.00%	68.39%	100.00%	Change in percentage
Civadis	Belgium	IT	EUR	32.39%	100.00%	34.88%	100.00%	Change in percentage
Ink Consulting	Belgium	IT	EUR	63.52%	100.00%	68.39%	100.00%	Change in percentage
NeWIN	Belgium	IT	EUR	63.52%	100.00%	0.00%	0.00%	Acquisition by NRB
NRB	Belgium	IT	EUR	63.52%	63.52%	68.39%	68.39%	Change in percentage
Orda's	Belgium	IT	EUR	63.52%	100.00%	68.39%	100.00%	Absorbed by SLM
PDP	Belgium	IT	EUR	0.00%	0.00%	34.88%	100.00%	Absorbed by Cevi
People & Technology	Belgium	IT	EUR	0.00%	0.00%	68.39%	100.00%	Absorbed by NRB
Phenix Data Center	Belgium	IT	EUR	63.52%	100.00%	0.00%	0.00%	Acquisition by NRB
Prodata Systems	Belgium	IT	EUR	32.39%	100.00%	34.88%	100.00%	Change in percentage
SDP	Belgium	IT	EUR	0.00%	0.00%	34.88%	100.00%	Absorbed by Cevi
SLM	Belgium	IT	EUR	63.52%	100.00%	68.39%	100.00%	Change in percentage
Siggis	Belgium	IT	EUR	32.39%	100.00%	34.88%	100.00%	Change in percentage
Trigone Informatique	France	IT	EUR	63.52%	100.00%	68.39%	100.00%	Change in percentage
Wallonie Data Center	Belgium	IT	EUR	63.52%	100.00%	0.00%	0.00%	Acquisition by NRB
Xperthis Group	Belgium	IT	EUR	50.81%	80.00%	54.71%	80.00%	Change in percentage
Zorgi	Belgium	IT	EUR	50.81%	100.00%	54.71%	100.00%	Change in percentage
Others								
Ethias Lease Corporation	Belgium	Other	EUR	100.00%	100.00%	0.00%	0.00%	Creation by Ethias SA, Ethias Ventures and Ethias Patrimoine
Ethias Services	Belgium	Other	EUR	99.90%	99.90%	99.90%	99.90%	
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 Ventures	Belgium	Holding	EUR	100.00%	100.00%	100.00%	100.00%	
Glasfaser Ostbelgien	Belgium	Other	EUR	50.02%	50.02%	50.02%	50.02%	

	30 June 2023					31 December 2022		
	Country	Sector	Currency	Integration percentage	Control percentage	Integration percentage	Control percentage	Change in scope
Associates and equity method								
Real estate subsidiaries								
Cityforward	Belgium	Real estate	EUR	49.50%	49.50%	49.50%	49.50%	
Hamsterhuren II	Belgium	Real estate	EUR	21.69%	21.69%	21.69%	21.69%	
WLP Holding	Belgium	Real estate	EUR	33.33%	33.33%	33.33%	33.33%	
WLP I	Germany	Real estate	EUR	30.00%	30.00%	30.00%	30.00%	
WLP II	Belgium	Real estate	EUR	33.33%	33.33%	33.33%	33.33%	
WLP III	Belgium	Real estate	EUR	33.33%	33.33%	33.33%	33.33%	
WLP IV	Belgium	Real estate	EUR	33.33%	33.33%	33.33%	33.33%	
WLP VII	Belgium	Real estate	EUR	33.33%	33.33%	33.33%	33.33%	
WLP VIII	Belgium	Real estate	EUR	33.33%	33.33%	33.33%	33.33%	
WLP XI	England	Real estate	GBP	33.33%	33.33%	33.33%	33.33%	
WLP CVH	Belgium	Real estate	EUR	33.33%	33.33%	33.33%	33.33%	
WLP CV	Belgium	Real estate	EUR	33.33%	33.33%	33.33%	33.33%	
Zabrixx I	Belgium	Real estate	EUR	48.90%	48.90%	48.90%	48.90%	
NRB Group								
BelgiumDC	Belgium	IT	EUR	31.76%	50.00%	34.19%	50.00%	Change in percentage
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%	29.43%	29.43%	

8.3 Acquisitions and disposals of subsidiaries

8.3.1 Assets and liabilities of companies acquired

In thousands of euros	30 June 2023	31 December 2022
Goodwill and other intangible assets	20,543	2,596
Investment properties	-	-
Financial investments	-	-
Insurance contract assets	-	-
Other assets and tangible fixed assets	34,310	738
Cash and cash equivalents	11,952	5,358
Insurance and investment contract liabilities	-	-
Financial debts	(3,900)	(327)
Provisions for risks and expenses	-	-
Other liabilities	(17,774)	(231)
Participating interests accounted for using the equity method	2,812	60,358
Non-controlling interests	(6,973)	6,227
Changes in equity following acquisitions	(23,638)	5,684
Net assets acquired	**17,332**	**80,403**
Less: Acquired cash in hand	(11,952)	(5,358)
Less: Badwill	-	-
Cash used for acquisitions	**5,379**	**75,045**

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 EUR -4 million for Ink Consulting, EUR -0.5 million for Belgium DC, EUR -9 million for Infohos, EUR -50 million for Cityforward, EUR -4 million for Hamsterhuren II, EUR -4.9 million for Zabrixx I and EUR -2.6 million for WLP Holding. The setting up of Ethias Ventures and Glasfaser Ostbelgien did not generate any cash flow outside the group.

In 2023, Ethias, Ethias Patrimoine and Ethias Ventures formed Ethias Lease Corporation. Ethias also paid up the capital of Zabrixx I. Cevi acquired 100% of Abiware. Finally, NRB increased its capital through a contribution in kind of 100% of the shares in NeWIN (and its subsidiaries). Net cash flow relating to acquisitions in 2023 amounts to EUR -2.8 million for Zabrixx, EUR -3.5 million for Abiware and EUR +0.3 million for NeWIN. The setting up of Ethias Lease Corporation did not generate any cash flow outside the group.

The non-controlling interests in the 2022 and 2023 acquisitions were initially valued at Ethias' proportionate share of the identifiable net assets of the acquired companies.

8.3.2 Assets and liabilities of divested companies

In thousands of euros	30 June 2023	31 December 2022
Intangible assets	-	-
Financial investments	13,751	-
Insurance contract assets	-	-
Any other assets	0	-
Cash and cash equivalents	219	-
Insurance and investment contract liabilities	-	-
Financial debts	(12,383)	-
Provisions for risks and expenses	-	-
Other liabilities	(331)	-
Participating interests accounted for using the equity method	-	19,383
Changes in equity following disposals	-	(477)
Net assets divested	**1,256**	**18,907**
Gain/(loss) on disposals, net of tax	9,806	-
Net cash received related to disposals without loss of control	-	-
Transferred cash	(219)	-
Cash received for disposals	**10,843**	**18,907**

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

In 2023, the cash generated was EUR 9.4 million for the sale of Het Gehucht and a further EUR 1.4 million for the partial sale of WLP Holding in 2022.

8.4 Summary of significant accounting principles

8.4.1 Basis of preparation of the consolidated financial statements

8.4.1.1 General principles

The Group's Interim Report includes the consolidated financial statements prepared in accordance with IAS 34 «Interim Financial Reporting» as adopted by the European Union and the highlights of the period.

This report has been prepared for the six months ending on 30 June 2023 and compares it with the end of the previous financial year restated on the basis of the new standards applicable since 1 January 2023 for the statement of financial position, and with the comparable interim periods of the previous financial year for the other statements also restated.

The interim report does not include all the notes normally included in an annual financial report. Consequently, this report should be read in conjunction with the annual report for the year ended 31 December 2022 and any public announcement made by the Ethias Group during the interim reporting period.

8.4.1.2 New standards, amendments and interpretations published and adopted since 1 January 2023

The new standards and interpretations, applicable from January 1, 2023, are as follows:

- Amendment to IAS 1 - Disclosure of accounting policies
- Amendment to IAS 8 - Definition of an accounting estimate
- Amendment to IAS 12 - Deferred taxes on assets and liabilities arising from the same transaction
- IFRS 17 standard - Insurance Contracts

  This new standard replaces IFRS 4 and fundamentally changes the accounting for all entities that issue insurance contracts and investment contracts with discretionary participation features. In addition, part of the scope covered by IFRS 4 does not meet the IFRS 17 definition of insurance contracts and is therefore measured in accordance with IFRS 9. A summary of the accounting principles applicable from this date is provided in paragraphs ***8.4.5 Insurance contract liabilities*** (liabilities within the scope of IFRS 17) and ***8.4.7 Investment contract liabilities*** (liabilities within the scope of IFRS 9).

- IFRS 9 standard - Financial instruments

  This new standard replaces IAS 39. A summary of current accounting principles and the impact of the transition on asset classification, valuation methods and impairment is provided in paragraph ***8.4.3 Financial investments***.

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

The impact on the balance sheet of the introduction of IFRS 17 and IFRS 9 is limited and does not alter the Group's image of financial stability.

The main impact is due to the distinction of the new element of the CSM (contractual service margin), 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.

At the transition date, the sum of the equity and the total CSM is close to the amount of the equity before the transition. 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 transition to IFRS 9 and IFRS 17 on equity are presented below:

In thousands of euros	Subscribed capital	Result carried forward	Other items of comprehensive income	Equity of the Group	Non-controlling interests	Total equity
Equity as of 31 December 2021 (IAS39/IFRS4)	1,000,000	1,485,317	524,236	3,009,552	73,950	3,083,502
Assets related to Non-Life reinsurance contracts	-	(22,119)	7,119	(15,000)	-	(15,000)
Liabilities related to Life insurance contracts	-	(376,712)	(371,364)	(748,076)	-	(748,076)
Liabilities related to Non-Life insurance contracts	-	258,143	(392,605)	(134,462)	-	(134,462)
Impact of IFRS17	**-**	**(140,688)**	**(756,850)**	**(897,538)**	**-**	**(897,538)**
Financial assets	-	170,878	(322,390)	(151,512)	-	(151,512)
Investment contract liabilities	-	4,042	154,604	158,646	-	158,646
Impact of IFRS9	**-**	**174,920**	**(167,786)**	**7,134**	**-**	**7,134**
Tax	**-**	**(6,474)**	**229,096**	**222,622**	**-**	**222,622**
Equity as of 1 January 2022 (IFRS9/IFRS17)	**1,000,000**	**1,513,075**	**(171,305)**	**2,341,770**	**73,950**	**2,415,720**
Contractual service margin as of 1 January 2022 (*)						**646,304**

(*) net of tax.

Other amendments

The impact of the other amendments to IFRS on our financial statements is not material.

8.4.1.3 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.

Moreover, the Group systematically analyses the standards and interpretations that will come into force in subsequent years.

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.

8.4.2 Segment 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: Non-Life, Life and Non-Technical.

8.4.3 Financial investments

8.4.3.1 Classification

Financial investments are carried at amortised cost, at market value through other comprehensive income or at market value through profit or less, depending on the management model and the contractual characteristics of the instruments.

Financial instruments are classified into the following categories in accordance with IFRS 9:

- Debt instruments «held within a management model for collecting of contractual cash flows» and whose cash flows consist solely of principal and interest payments are carried at «amortised cost»; this category essentially comprises bonds, loans, deposits and receivables;
- Debt instruments «held within a management model whose goal is reached by collecting contractual cash flows and selling financial assets», and whose cash flows consist solely of principal and interest payments, are carried at «fair value through other comprehensive income»; this category essentially comprises bonds;
- Debt instruments that are not held under one of the two management models described above or whose cash flows do not consist solely of principal and interest payments are carried at fair value, with changes in fair value recognised through profit or loss; these assets are of three types: (i) investments held for trading, which are investments whose management intention is to generate short-term profits; (ii) financial assets designated as optional; (iii) instruments qualifying as debt instruments whose cash flows do not consist solely of principal and interest payments, such as certain investment funds.
- Equity instruments that are not held for trading are recognised definitively with «measurement at fair value through other comprehensive income».

The fair value option, which consists of designating financial assets and liabilities at their fair value with changes in fair value through profit or loss on initial recognition, is used by the Group when this option reduces the accounting mismatch between financial assets and liabilities.

Reclassifications of financial assets are only permitted when Ethias decides to change the management model for these assets.

8.4.3.2 Measurement and recognition

The Group recognises financial assets when it becomes a party to the contractual terms of these assets. Purchases and sales of financial assets are recorded on the trade date.

Financial assets are initially recognised 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 recognise the financial assets. The cash consideration received for the sale is recorded separately. Interest expense on repurchase agreements and securities lending transactions is recognised over the term of the contracts.

Debt instruments «held within a management model whose goal is reached by collecting contractual cash flows and selling financial assets», those held for trading, assets designated at fair value through profit or loss and all derivatives 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 IFRS 9 as explained in more detail in the note relating to the determination of the fair value of financial instruments.

Debt instruments «held within a management model whose goal is reached by collecting contractual cash flows and selling financial assets» are carried at fair value, with unrealised gains and losses being 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 expected credit losses.

Debt instruments «held within a management model for collecting of contractual cash flows» and whose cash flows consist solely of payments of principal and interest (SPPI) are carried at amortised cost. Amortised cost is the amount at which the asset was valued at initial recognition net of principal repayments, plus or minus accumulated amortisation (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.

By their accounting, financial assets at fair value through profit or loss are not subject to an impairment test.

The impairment model for credit risk under IFRS 9 is based on expected losses. This model applies only to debt instruments, and not to equity instruments.

The model includes three levels of classification based on changes in the credit risk of the financial asset since its initial recognition:

- Expected credit losses at 12 months («level 1»): if, at the balance sheet date, the credit risk of the financial asset has not increased significantly, the instrument is subject to a provision for impairment at an amount equal to the expected losses at 12 months;
- Expected credit losses until the asset's maturity date («level 2»): the provision for impairment is measured at an amount equal to the expected credit losses over the asset's lifetime if the credit risk has increased significantly since acquisition without the asset being considered impaired;
- Expected credit losses until the maturity of the asset - impaired assets ("level 3"): applies to financial assets that show evidence of durable impairment; in this case, the provision for impairment is also measured at an amount equal to the expected credit losses over the remaining lifetime of the asset.

The decision to change the classification of a financial asset into one of the three levels of credit risk is analysed at each balance sheet date.

With regard to bonds, Ethias applies the «low credit risk» exemption and considers that bonds with an "investment-grade" credit risk rating are classified in the level 1 credit risk category. For a bond to move to level 2 credit risk, it must have a rating below "investment grade" and a rating downgrade of 3 notches or more. In the case of loans, a rating downgrade of 3 notches or more is sufficient to move to level 2.

The criteria that Ethias takes into account to identify the move to level 3 - impaired assets - are as follows:

Criteria taken into account to determine whether an asset falls into level 3 - impaired assets

- 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.

In addition, a delay in payment of more than 90 days constitutes a rebuttable presumption that the asset concerned has been written down to level 3.

Financial assets are no longer recognised 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 realised gain or loss is recognised 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.

8.4.3.3 Transition method

The classification categories for financial instruments under IAS 39 are reclassified under IFRS 9 from January 1, 2023 resulting in three main measurement bases («amortised 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 is applied retrospectively from January 1, 2023, as if the financial instrument had always been classified under IFRS 9 since its initial recognition.

In thousands of euros	Comments	31/12/2022 IAS 39	Reclassification	Re-evaluation	Impairments	01/01/2023 IFRS 9
Financial assets available for sale (ex IAS 39)	1 & 2	11,936,871	(11,936,871)	-	-	-
Financial assets held in a management model whose goal is reached by collecting contractual cash flows and selling financial assets (IFRS 9 HTCS)	1	-	8,374,820	3,934	(3,934)	8,374,820
Financial assets measured at fair value through profit or loss (ex IAS 39)		307,011	(307,011)	-	-	-
Financial assets measured at fair value through profit or loss - non SPPI	2	-	1,255,461	(5,332)	-	1,250,129
Loans, deposits and other financial investments accounted for at amortised cost (ex IAS 39 Amortised cost)	3	1,170,581	(1,170,581)	-	-	-
Loans, deposits and other financial investments held for collecting contractual cash flows (IFRS 9 HTC)	1 & 3	-	3,147,004	307,580	(2,426)	3,452,158
Loans, deposits and other financial investments accounted for at fair value through profit or loss - Non SPPI	2	-	40,358	(1,299)	-	39,059
Equity instruments - definitely through the statement of comprehensive income (IFRS 9)	4	-	596,822	-	-	596,822
Derivative financial instruments		372,878	-	-	-	372,878
Investments relating to unit-linked contracts		1,609,303	-	-	-	1,609,303
Total		**15,396,644**	**-**	**304,884**	**(6,359)**	**15,695,168**

The impact of first-time adoption under IFRS 9 has several effects:

- The «Reclassification» column is explained below.

  Comment 1 - Reclassification from the IAS 39 category «financial assets available for sale» to the IFRS 9 categories «financial assets held in a management model whose goal is reached by collecting contractual cash flows and selling financial assets» (at «fair value through other comprehensive income») and «financial assets held for collecting contractual cash flows» (at «amortised cost»); the latter reclassification includes part of the portfolios of financial assets linked to first and second pillar insurance contracts.

  Comment 2 - Reclassification of a limited number of investments that did not pass the contractual cash flow characteristics test («SPPI» test) from the IAS 39 «financial assets available for sale» category to the «financial assets at fair value through profit or loss - Non SPPI» category, and from the «loans, deposits and other financial investments accounted for at amortised cost» category to the «loans, deposits and other financial investments accounted for at fair value through profit or loss - Non SPPI» category.

  Comment 3 - Reclassification from the IAS 39 category «loans, deposits and other financial investments accounted for at amortised cost» to the IFRS 9 category «financial assets held for collecting contractual cash flows» at amortised cost.

  Comment 4 - For equity instruments that are not held for trading, the Group has decided to classify them definitively with «measurement at fair value through the statement of comprehensive income».

- The «Revaluation» column in the Transition table shows the impact on equity of the change in accounting treatment resulting from the reclassifications described above.

- The «Impairments» column includes the impact of the introduction of the «expected credit loss» model, the principles of which are described below.

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

The Group has concluded for the application of IFRS 9 that the majority of its investments in financial instruments are held in a management model whose goal is reached by collecting contractual cash flows and selling financial assets, with the measurement of those financial assets at fair value through other comprehensive income. This conclusion confirms the fact that the Group holds the majority of its financial assets to cover its liabilities resulting from insurance contracts.

8.4.4 Equity

Equity includes, in addition to share capital and retained earnings in reserve, the share of unrealised gains and losses on investments, net of tax, whose change in fair value is not recognised in the income statement, as well as other comprehensive income, notably the impact of changes in financial conditions on the valuation of insurance liabilities measured in accordance with IFRS17.

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 recognised 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 recognised directly in equity, net of tax. A debt corresponding to the amount of dividend not yet paid is not recognised as long as the dividend has not been declared and approved.

8.4.5 Insurance contract liabilities

8.4.5.1 Classification

All Non-Life and Life contracts are liabilities related to insurance contracts accounted for under IFRS 17 except for the following Life contracts, which are liabilities related to investment contracts accounted for under IFRS 9: 1st pillar with review clause of the tariff conditions, branch 23 and 2nd pillar financing funds.

8.4.5.2 Measurement and recognition

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

Ethias uses the simplified model (PAA - Premium Allocation Approach) whenever possible (mainly on annual Non-Life 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).

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).

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

The risk adjustment is 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.

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.

8.4.5.3 Transition methods

IFRS 17 provides for retrospective application of the standard to insurance contracts in force and to commitments resulting 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.

8.4.6 Reinsurance contract assets

Unless specifically stated otherwise, the principles and rules applied to liabilities relating to insurance contracts (see section 8.4.5) also apply to assets relating to reinsurance contracts.

8.4.6.1 Classification

All assets relating to reinsurance contracts are accounted for in accordance with IFRS 17. In accordance with IFRS17, reinsurance contracts are valued separately from the underlying insurance contracts, both on the balance sheet and in the income statement.

8.4.6.2 Measurement and recognition

Reinsurance contracts are aggregated by homogeneous risks managed together and distinguished by annual cohorts. As the concept of onerousness does not apply to assets relating to reinsurance contracts, these are not grouped on the basis of this concept, unlike the underlying insurance contracts.

Ethias uses the simplified model (PAA) for the valuation of reinsurance contracts. In accordance with IFRS17, the valuation of reinsurance contracts includes the risk of non-performance of contracts (risk of default or litigation), taking account of reinsurance deposits according to their nature and clauses. As these deposits are considered as operating liabilities, they are measured in accordance with IFRS9.

8.4.7 Investment contract liabilities

8.4.7.1 Classification

The following Life contracts are liabilities associated with investment contracts accounted for under IFRS 9: 1st pillar with review clause of the tariff conditions, branch 23 and 2nd pillar financing funds.

8.4.7.2 Measurement and recognition

The valuation of the 1st pillar with a review clause on tariff conditions and financing funds is carried out at amortised cost on the liabilities side of the balance sheet. Total liabilities correspond to the sum of premiums received (including transfers received), guaranteed interest and profit-sharing, less benefits (including transfers assigned) and charges levied. The result is impacted by the management fees deducted and by the remuneration allocated to the policyholder.

Liabilities of branch 23 contracts are valued on the basis of the assets underlying these contracts. The result is impacted by the management fees deducted. Revaluation of related assets is recognised in the income statement and reflected in the change in liabilities.

8.4.7.3 Transition methods

IFRS 9 makes no difference to the valuation of the liabilities concerned.

8.4.8 Other consolidation methods and principles

The other accounting principles and valuation rules applied at 31 December 2022 are still valid and therefore applicable for the first half of 2023. For detailed explanation, see the annual report at end 2022.

The activities of the Group are not subject to a significant seasonal factor.

8.5 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 recognised 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.

8.5.1 Insurance and investment liabilities

Insurance liabilities 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 insurance liabilities, IFRS 17 consists of principles that have been broken down into methodologies. The main methodological choices are described in paragraph ***8.4. Summary of significant accounting principles***.

Life insurance liabilities are often calculated on the basis of estimates of future cash flows, taking into account the terms of the contract as well as parameters such as:

- the mortality 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 Non-Life insurance liabilities 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. Insurance liabilities are discounted.

Discount curves are constructed using the Bottom-Up approach (risk-free rate plus illiquidity premium). The estimate of the illiquidity premium is based on the level of illiquidity observed on the corresponding asset portfolios.

8.5.2 Fair value of financial instruments, employee benefit, deferred taxes and provisions

For more information with regard to the introduction of these estimates, we refer to the corresponding notes in the consolidated financial statements of the 2022 annual report.

8.6 Segment information

The allocation of resources and the performance assessment are made for the various products that Ethias SA offers to its clients, 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:

- Non-Life segment: income from this segment comes mainly from premiums received for cover against damage to vehicles, equipment and buildings, for family insurance, assistance, civil liability, health care, work accidents, sports accidents, etc.
- Life segment: 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. Finally, Ethias also sells outstanding balance insurances, following the absorption of Whestia in 2017. Most of the other insurance products are put into run-off.
- Non-Technical segment: this segment includes the Non-Technical activity of Ethias SA.

The results of the segments for the years ended on 30 June 2023 and 2022 respectively are detailed below:

In thousands of euros	30 June 2023			
	NON-LIFE	LIFE	NON-TECHNICAL	TOTAL
Gross premiums	1,074,590	863,977	-	1,938,567
Premiums ceded to reinsurers	(32,246)	(1,779)	-	(34,025)
Change in the provision for unearned premiums and outstanding risks (a)	(264,180)	-	-	(264,180)
Other income from insurance activities	1,388	4,420	-	5,808
Revenues from insurance activities (a)	**779,551**	**866,618**	**-**	**1,646,170**
Revenues from other activities	**-**	**-**	**8,633**	**8,633**
Net income from investments	59,694	230,910	(6,957)	283,647
Net realised gains or losses on investments	-	-	-	-
Change in fair value of investments through profit and loss (b)	-	-	-	-
Net financial income	**59,694**	**230,910**	**(6,957)**	**283,647**
NET REVENUES	**839,245**	**1,097,528**	**1,675**	**1,938,449**
Insurance service expenses	634,576	993,109	-	1,627,684
Net expenses or revenues ceded to reinsurers	(3,710)	(1,960)	-	(5,670)
Management costs (c)	163,589	50,668	-	214,257
Technical expenses for insurance activities	**794,455**	**1,041,817**	**-**	**1,836,271**
Expenses for other activities	**-**	**-**	**14,637**	**14,637**
Change in depreciation and amortisation on investments (net)	-	-	-	-
Other investment-related financial expenses	-	-	-	-
Finance costs	-	-	-	-
Financial and financing expenses	**-**	**-**	**-**	**-**
NET EXPENSES	**794,455**	**1,041,817**	**14,637**	**1,850,908**
Goodwill impairment	-	-	-	-
NET PROFIT (LOSS) BEFORE TAX	**44,790**	**55,712**	**(12,961)**	**87,541**
Income taxes and deferred taxes	-	-	(14,180)	(14,180)
Transfer/Charge to untaxed reserves	-	-	-	-
NET PROFIT (LOSS) AFTER TAX	**44,790**	**55,712**	**(27,141)**	**73,361**
Share of the associated companies in the result	-	-	-	-
Net profit (loss) from discontinued operations	-	-	-	-
Net profit (loss) - Ethias SA BGAAP	**44,790**	**55,712**	**(27,141)**	**73,361**
Net profit (loss) - Subsidiaries BGAAP				53,461
Adjustments				15,902
IFRS net consolidated profit (loss)				**142,724**

In thousands of euros	30 June 2022 restated			
	NON-LIFE	LIFE	NON-TECHNICAL	TOTAL
Gross premiums	966,210	760,422	-	1,726,632
Premiums ceded to reinsurers	(28,782)	**(1,646)**	-	(30,429)
Change in the provision for unearned premiums and outstanding risks (a)	(219,390)	-	-	(219,390)
Other income from insurance activities	1,768	2,496	-	4,264
Revenues from insurance activities (a)	**719,805**	**761,272**	**-**	**1,481,077**
Revenues from other activities	**-**	**-**	**8,198**	**8,198**
Net income from investments	82,835	(117,246)	2,606	(31,805)
Net realised gains or losses on investments	-	-	-	-
Change in fair value of investments through profit and loss (b)	-	-	-	-
Net financial income	**82,835**	**(117,246)**	**2,606**	**(31,805)**
NET REVENUES	**802,640**	**644,026**	**10,804**	**1,457,470**
Insurance service expenses	617,497	553,338	-	1,170,835
Net expenses or revenues ceded to reinsurers	(33,216)	(835)	-	(34,052)
Management costs (c)	149,238	52,289	-	201,527
Technical expenses for insurance activities	**733,519**	**604,792**	**-**	**1,338,311**
Expenses for other activities	**-**	**-**	**11,581**	**11,581**
Change in depreciation and amortisation on investments (net)	-	-	-	-
Other investment-related financial expenses	-	-	-	-
Finance costs	-	-	-	-
Financial and financing expenses	**-**	**-**	**-**	**-**
NET EXPENSES	**733,519**	**604,792**	**11,581**	**1,349,891**
Goodwill impairment	-	-	-	-
NET PROFIT (LOSS) BEFORE TAX	**69,121**	**39,234**	**(777)**	**107,579**
Income taxes and deferred taxes	-	-	(21,030)	(21,030)
Transfer/Charge to untaxed reserves	-	-	-	-
NET PROFIT (LOSS) AFTER TAX	**69,121**	**39,234**	**(21,807)**	**86,549**
Share of the associated companies in the result	-	-	-	-
Net profit (loss) from discontinued operations	-	-	-	-
Net profit (loss) - Ethias SA BGAAP	**69,121**	**39,234**	**(21,807)**	**86,549**
Net profit (loss) - Subsidiaries BGAAP				4,649
Adjustments				(51,010)
IFRS net consolidated profit (loss)				**40,187**

a) Net of reinsurance

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

c) Including contract acquisition costs, administration costs, internal claim handling costs and other technical expenses

The data by segment are prepared and evaluated based upon the Belgian accounting standards (BGAAP) and therefore do not follow the same valuation rules as those used for the IFRS consolidated financial statements as described in the notes to the financial statements. The following lines reconcile Ethias SA's BGAAP result with the Group's IFRS result:

- Net consolidated result - subsidiaries BGAAP: this result mainly comes from IT activities, including the design, development and marketing of IT solutions, from real estate activities through the Group's real estate companies and, finally, from financial activities through the SICAV «Ethias Sustainable Investment Fund» are presented separately.
- Adjustments: IFRS accounting entries are included, as are eliminations of intercompany transactions and consolidation adjustments.

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.

8.6.1 BGAAP Result of Ethias SA

The first semester of 2023 recorded a net result of EUR 73 million, i.e. a decrease of 15% compared to the first semester of 2022.

Total premium income amounts to EUR 1,939 million, i.e. an increase of 12% compared to the income of the 1st semester of 2022, thanks to an increase in the premium income of Life insurance (+14%) and Non-Life insurance (+11%).

8.6.1.1 Non-Life

The result of Non-Life business amounts to EUR 45 million at end-June 2023.

Income amounts to EUR 1,075 million and increases by 11% compared to June 2022.

The adjusted net operating combined ratio is 99.3%.

The result of Non-Life business was negatively impacted by the deterioration of atypical claims in Motor and Civil Liability Public Bodies & Companies, the increase in the claims frequency rate in Health Care, the poor performance of Workers' Compensation '67, the allocation to the Equalization and Catastrophe Provision ("PEC»), the exceptional amortisation in IT and the decrease in non-recurring financial income. These effects are slightly offset by the positive impact of the absence of events in the first half, compared with the storms of February 2022, and the reversal of part of the inflation add-on.

8.6.1.2 Life

The result of Life business amounts to EUR 56 million at end-June 2023.

Premium income at end-June 2023 increases by 14% compared to June 2022 and amounts to EUR 864 million.

The increase in the Life business result for the first half of 2023 is explained in particular by the reversal of the CAMI provision, the increase in non-recurring financial income and a lower increase in guaranteed rates than the one in financial income. The result is to a lesser extent negatively impacted by the contribution to the fund for future appropriations.

8.6.1.3 Non-Technical

In June 2023, the Non-Technical result before taxes shows a negative contribution of EUR -13 million compared to EUR -1 million in June 2022. Tax expenses of the financial year amount to EUR 14 million compared to EUR 21 million in June 2022.

8.6.2 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 EUR 53.5 million. They are mainly composed of the results of NRB and its subsidiaries for EUR 14.2 million, Ethias Sustainable Investment Fund for EUR 11.8 million, NEB Participations for EUR 9.5 million and the real estate subsidiaries for EUR 17.7 million.

8.6.3 Adjustments

Total adjustments amount to EUR 15.9 million, of which EUR 4.6 million 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 EUR 5.2 million.
- In Non-Life, the cancellation of the allocation to the equalization and catastrophe provision amounts to EUR 13.5 million. The recognition of the insurance liabilities in accordance with IFRS 17 has an impact on the result of EUR 69.2 million (EUR 26.6 million for Life insurance, EUR 42.3 million for Non-Life insurance and EUR 0.3 million for Reinsurance).
- The application of IFRS 9 leads to an adjustment on the result of financial instruments of EUR -1.5 million.
- The application of IAS 36 leads to an adjustment on the result of EUR +1.6 million. This concerns the elimination of the amortisation of goodwill recorded under BGAAP on Whestia, on Trasys and at Prodata.
- The allocation to the fund for future appropriations made in BGAAP is cancelled (EUR +10 million).
- The elimination of dividends from subsidiaries amount to EUR -26.7 million.
- Deferred taxes related to IFRS adjustments and consolidation adjustments impact the income statement by EUR -39.7 million.
- Other adjustments: IFRS 16 (EUR +1.4 million), IAS 16 (EUR -7 million), cancellation of intra-group revaluation (EUR -8.9 million) and elimination of companies accounted for using the equity method (EUR -1.2 million).

9 Notes to the consolidated balance sheet

9.1 Goodwill

9.1.1 Evolution of goodwill

In thousands of euros	30 June 2023	31 December 2022
Gross value on 1 January	**76,651**	**74,079**
Accumulated impairment losses on 1 January	-	-
Net book value on 1 January	**76,651**	**74,079**
Acquisitions	20,111	2,572
Other changes	-	-
Net book value on 30 June/31 December	**96,762**	**76,651**

Goodwill was generated on:

- entities of the NRB subgroup, for EUR 81.7 million;
- the acquisition of the Whestia entity («outstanding balance» insurance portfolio) for EUR 15.1 million.

In 2022, the acquisition of 100% of the shares of Ink Consulting, generating goodwill of EUR 2.6 million.

In 2023, Cevi acquired 100% of the shares of Abiware, generating goodwill of EUR 1 million. In addition, NRB's acquisition of all shares in NeWIN and its subsidiaries Wallonie Data Center and Phenix Data Center generated goodwill of EUR 19.1 million.

9.1.2 Impairment test on goodwill

There were no significant changes in the first half of 2023 compared to 31 December 2022. For further information, please refer to the corresponding notes in the consolidated financial statements of the annual report as at 31 December 2022.

9.2 Other intangible assets

In thousands of euros	2023		
	Software and IT developments	Other intangible assets	Total
Gross value on 1 January	**261,668**	**61,172**	**322,840**
Accumulated amortisation on 1 January	(151,391)	(27,917)	(179,308)
Accumulated impairment losses on 1 January	(21,488)	-	(21,488)
Net book value on 1 January	**88,789**	**33,255**	**122,044**
Acquisitions	2,406	1,809	4,215
Disposals	-	-	-
Reclassifications	470	-	470
Change in the consolidation scope	433	-	433
Net amortisation	(9,770)	(3,287)	(13,056)
Impairments	(2,339)	-	(2,339)
Other changes	-	-	-
Net book value on 30 June	**79,990**	**31,777**	**111,767**

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 amortisation 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 amortisation	(16,326)	(4,827)	(21,153)
Impairments	-	-	-
Other changes	-	-	-
Net book value on 31 December	**88,789**	**33,255**	**122,044**

9.3 Tangible fixed assets and investment properties

In thousands of euros	2023			
	Investment properties	Operational buildings	Other tangible fixed assets	Total
Gross value to be depreciated on 1 January	**573,484**	**64,509**	**103,494**	**741,487**
Acquisitions	-	21	4,551	4,572
Disposals and withdrawals	-	-	(1,630)	(1,630)
Properties held for sale	-	-	-	-
Change in the consolidation scope	-	3,526	34,312	37,838
Reclassifications from one heading to another	-	37	1,683	1,719
Other changes	-	-	-	-
Gross value on 30 June	**573,484**	**68,093**	**142,409**	**783,986**
Depreciations and accumulated impairments on 1 January	**(147,188)**	**(48,528)**	**(79,360)**	**(275,075)**
Depreciations of the financial year	(4,576)	(864)	(3,376)	(8,816)
Impairments of the financial year	-	-	-	-
Reversals of the financial year	-	-	-	-
Disposals and withdrawals	-	-	1,519	1,519
Reversals following disposals	-	-	111	111
Net impairment and reversal on properties held for sale	-	-	-	-
Change in the consolidation scope	-	(1,870)	(28,959)	(30,829)
Reclassifications from one heading to another	-	(37)	(2,153)	(2,189)
Other changes	-	-	-	-
Depreciations and accumulated impairments on 30 June	**(151,764)**	**(51,299)**	**(112,218)**	**(315,280)**
Net book value on 30 June	**421,720**	**16,794**	**30,191**	**468,706**
Fair value on 30 June	**632,783**	**48,673**	**30,191**	**711,647**

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**

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 capitalisation 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 capitalisation 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 capitalisation rates should be considered as input data of level 3.

In 2023, the amounts under "Change in the consolidation scope" mainly relate to the inclusion of NeWIN and Wallonie Data Center in the consolidation scope.

9.4 Financial investments

9.4.1 Overview of financial investments by category

In thousands of euros	30 June 2023					
	Cost price	ECL and impairments	Reassessment through other items of comprehensive income	Reassessment through profit or loss	Net book value	Fair value
At fair value through other items of comprehensive income	36,944	-	(7,818)	-	29,126	29,126
Designated at fair value through profit or loss	6,122	-	-	-	6,122	6,122
Participating interests	**43,066**	**-**	**(7,818)**	**-**	**35,248**	**35,248**
Designated at fair value through other items of comprehensive income	528,211	-	111,130	-	639,341	639,341
Designated at fair value through profit or loss	6,282	-	-	(271)	6,012	6,012
Equities	**534,493**	**-**	**111,130**	**(271)**	**645,352**	**645,352**
At fair value through other items of comprehensive income	-	-	-	-	-	-
At fair value through profit or loss	390,158	-	-	69,782	459,940	459,940
Investment funds	**390,158**	**-**	**-**	**69,782**	**459,940**	**459,940**
At amortised cost	2,245,684	(2,595)	-	-	2,243,089	1,971,827
At fair value through other items of comprehensive income	10,037,896	(9,117)	(1,519,532)	-	8,509,247	8,509,247
At fair value through profit or loss	846,028	-	-	(38,760)	807,268	807,268
Bonds	**13,129,609**	**(11,712)**	**(1,519,532)**	**(38,760)**	**11,559,605**	**11,288,342**
At amortised cost	1,216,236	(4,040)	-	-	1,212,196	1,114,652
At fair value through profit or loss	42,149	-	-	(1,755)	40,394	40,394
Loans and deposits	**1,258,385**	**(4,040)**	**-**	**(1,755)**	**1,252,590**	**1,155,046**
At fair value through profit or loss	5,833	-	-	(1,250)	4,583	4,583
Held for hedging purposes	-	-	250,502	-	250,502	250,502
Derivative financial assets	**5,833**	**-**	**250,502**	**(1,250)**	**255,085**	**255,085**
Designated at fair value through profit or loss	2,021,722	-	-	31,302	2,053,024	2,053,024
Investments belonging to unit-linked insurance contracts	**2,021,722**	**-**	**-**	**31,302**	**2,053,024**	**2,053,024**
Total financial investments	**17,383,265**	**(15,752)**	**(1,165,718)**	**59,049**	**16,260,844**	**15,892,038**

In thousands of euros	31 December 2022 restated					
	Cost price	ECL and impairments	Reassessment through other items of comprehensive income	Reassessment through profit or loss	Net book value	Fair value
At fair value through other items of comprehensive income	35,314	-	1,714	-	37,028	37,028
Designated at fair value through profit or loss	5,264	-	-	-	5,264	5,264
Participating interests	**40,577**	**-**	**1,714**	**-**	**42,292**	**42,292**
Designated at fair value through other items of comprehensive income	486,498	-	43,902	-	530,400	530,400
Designated at fair value through profit or loss	-	-	-	-	-	-
Equities	**486,498**	**-**	**43,902**	**-**	**530,400**	**530,400**
At fair value through other items of comprehensive income	-	-	-	-	-	-
At fair value through profit or loss	362,050	-	-	52,071	414,120	414,120
Investment funds	**362,050**	**-**	**-**	**52,071**	**414,120**	**414,120**
At amortised cost	2,324,361	(1,261)	-	-	2,323,100	2,016,780
At fair value through other items of comprehensive income	10,169,516	(3,934)	(1,761,369)	-	8,404,213	8,404,213
At fair value through profit or loss	873,811	-	-	(43,065)	830,745	830,745
Bonds	**13,367,687**	**(5,195)**	**(1,761,369)**	**(43,065)**	**11,558,058**	**11,251,739**
At amortised cost	1,130,314	(1,255)	-	-	1,129,059	1,039,831
At fair value through profit or loss	40,358	-	-	(1,299)	39,059	39,059
Loans and deposits	**1,170,671**	**(1,255)**	**-**	**(1,299)**	**1,168,117**	**1,078,890**
At fair value through profit or loss	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**
Designated at fair value through profit or loss	1,669,461	-	-	(60,158)	1,609,303	1,609,303
Investments belonging to unit-linked insurance contracts	**1,669,461**	**-**	**-**	**(60,158)**	**1,609,303**	**1,609,303**
Total financial investments	**17,099,545**	**(6,450)**	**(1,347,846)**	**(50,081)**	**15,695,168**	**15,299,621**

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.

9.4.2 Evolution of financial investments

In thousands of euros	2023									
	Debt instruments at fair value through other comprehensive income	Debt instruments at fair value through profit and loss	Debt instruments at amortised cost	Equity instruments at fair value through other comprehensive income	Equity instruments at fair value through profit and loss	Loans and deposits at fair value through profit and loss	Loans and deposits at amortized cost	Derivative financial instruments (assets)	Investments belonging to unit-linked insurance contracts designated at fair value through profit or loss	Total
Opening balance on 1 January	8,374,820	1,250,129	2,323,100	596,822	-	39,059	1,129,059	372,878	1,609,303	**15,695,168**
Acquisitions	458,764	272,653	70,096	159,058	11,578	1,656	116,128	1,734	653,251	**1,744,919**
Reclassifications between categories	-	(1,260)	-	-	1,260	-	-	-	-	**-**
De-recognition following exercise option	-	-	-	-	-	-	-	(105,408)	-	**(105,408)**
Profits and losses realised on hedging instruments not yet transferred to profit or loss	(61,825)	-	(59)	-	-	-	-	61,885	-	**(0)**
Disposals and reimbursements	(484,598)	(266,109)	(137,253)	(99,578)	(6,426)	(13)	(33,230)	(61,995)	(291,038)	**(1,380,238)**
Foreign currency translation differences on monetary assets	-	-	-	-	-	-	-	-	-	**-**
Adjustment at fair value	236,596	19,206	-	41,616	(400)	(456)	-	(15,891)	82,235	**362,905**
Amortisations	(4,596)	521	(1,612)	-	-	-	166	-	(878)	**(6,398)**
Changes in accrued interests not yet due	(39,635)	(1,810)	(9,790)	269	-	148	2,924	1,883	151	**(45,860)**
ECL and impairments	-	-	(1,394)	-	-	-	(2,850)	-	-	**(4,243)**
Change in the consolidation scope	-	-	-	-	-	-	-	-	-	**-**
Other changes	-	-	-	-	-	-	-	-	-	**-**
Net book value on 30 June	**8,479,527**	**1,273,331**	**2,243,089**	**698,187**	**6,012**	**40,394**	**1,212,196**	**255,085**	**2,053,024**	**16,260,844**

In thousands of euros	2022 restated									
	Debt instruments at fair value through other comprehensive income	Debt instruments at fair value through profit and loss	Debt instruments at amortised cost	Equity instruments at fair value through other comprehensive income	Equity instruments at fair value through profit and loss	Loans and deposits at fair value through profit and loss	Loans and deposits at amortized cost	Derivative financial instruments (assets)	Investments belonging to unit-linked insurance contracts designated at fair value through profit or loss	Total
Opening balance on 1 Januar	11,538,426	1,338,555	2,426,653	939,180	14,974	42,317	841,999	25,852	1,778,054	**18,946,010**
Acquisitions	1,238,003	441,599	274,209	168,017	36,328	1,685	677,626	3,874	632,888	**3,474,230**
Reclassifications between categories	(299)	-	299	(95,962)	-	-	-	-	-	**(95,962)**
De-recognition following exercise option	-	-	-	-	-	-	-	(54,271)	-	**(54,271)**
Profits and losses realised on hedging instruments not yet transferred to profit or loss	825	-	-	-	-	-	-	(825)	-	**-**
Disposals and reimbursements	(1,620,871)	(373,214)	(365,350)	(294,464)	(50,866)	(3,621)	(388,205)	(6,581)	(529,197)	**(3,632,370)**
Foreign currency translation differences on monetary assets	-	-	-	-	-	-	-	-	-	**-**
Adjustment at fair value	(2,794,015)	(157,986)	-	(118,631)	(435)	(1,381)	-	404,828	(269,402)	**(2,937,023)**
Amortisations	28,172	1,926	(6,907)	-	-	-	0	-	(2,371)	**20,820**
Changes in accrued interests not yet due	(15,421)	(751)	(4,885)	(1,318)	-	58	(1,552)	-	(669)	**(24,537)**
ECL and impairments	-	-	(920)	-	-	-	(810)	-	-	**(1,729)**
Change in the consolidation scope	-	-	-	-	-	-	-	-	-	**-**
Other changes	-	-	-	-	-	-	-	-	-	**-**
Net book value on 31 December	**8,374,820**	**1,250,129**	**2,323,100**	**596,822**	**-**	**39,059**	**1,129,059**	**372,878**	**1,609,303**	**15,695,168**

Adjustments to the fair value for derivatives (assets) break down into EUR -12 million for derivative hedging instruments (against EUR 402.5 million in December 2022) and EUR -3.9 million for derivative trading instruments (against EUR 2.4 million in December 2022).

9.4.3 Details of impairments on investments

In thousands of euros	30 June 2023		
	Book value before impairment	Impairments	Net book value
Stage 1 (12-month ECL)	8,456,134	(8,094)	8,448,040
Stage 2 (lifetime ECL)	32,510	(1,023)	31,487
Stage 3 - Impaired (lifetime ECL)	-	-	-
Debt instruments at fair value through other comprehensive income	**8,488,644**	**(9,117)**	**8,479,527**
Stage 1 (12-month ECL)	3,335,907	(4,720)	3,331,186
Stage 2 (lifetime ECL)	124,882	(1,752)	123,130
Stage 3 - Impaired (lifetime ECL)	1,132	(163)	968
Financial investments recognised at amortised cost	**3,461,920**	**(6,635)**	**3,455,285**

In thousands of euros	31 December 2022 restated		
	Book value before impairment	Impairments	Net book value
Stage 1 (12-month ECL)	8,359,410	(3,590)	8,355,820
Stage 2 (lifetime ECL)	14,276	(118)	14,158
Stage 3 - Impaired (lifetime ECL)	5,067	(225)	4,842
Debt instruments at fair value through other comprehensive income	**8,378,753**	**(3,934)**	**8,374,820**
Stage 1 (12-month ECL)	3,446,570	(2,284)	3,444,286
Stage 2 (lifetime ECL)	5,933	(17)	5,915
Stage 3 - Impaired (lifetime ECL)	2,172	(215)	1,957
Financial investments recognised at amortised cost	**3,454,674**	**(2,516)**	**3,452,158**

9.4.4 Evolution of impairments on investments

9.4.4.1 Impairment of debt instruments carried at fair value through other income items

In thousands of euros	2023			
	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 - Impaired (lifetime ECL	Total
Balance on 1 January	**3,590**	**118**	**225**	**3,934**
Change of stage				
Stage 1 (12-month ECL)	-	980	(2)	978
Stage 2 (lifetime ECL)	(980)	-	-	(980)
Stage 3 - Impaired (lifetime ECL)	2	-	-	2
Change in risk parameters	5,614	(73)	(223)	5,317
Changes to model assumptions and methodologies	-	-	-	-
Reversals due to disposals	(133)	(1)	-	(134)
Change in the consolidation scope	-	-	-	-
Reclassifications	-	-	-	-
Other changes	-	-	-	-
Balance on 30 June	**8,094**	**1,023**	**-**	**9,117**

In thousands of euros	2022 restated			
	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 - Impaired (lifetime ECL	Total
Balance on 1 January	**1,212**	**614**	**-**	**1,826**
Change of stage				
Stage 1 (12-month ECL)	-	(172)	(89)	(261)
Stage 2 (lifetime ECL)	172	-	308	481
Stage 3 - Impaired (lifetime ECL)	89	(308)	-	(220)
Change in risk parameters	2,326	266	2,457	5,049
Changes to model assumptions and methodologies	-	-	-	-
Reversals due to disposals	(209)	(281)	(2,451)	(2,941)
Change in the consolidation scope	-	-	-	-
Reclassifications	-	-	-	-
Other changes	-	-	-	-
Balance on 31 December	**3,590**	**118**	**225**	**3,934**

9.4.4.2 Impairment of financial liabilities recognised at amortised cost

In thousands of euros	2023			
	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 - Impaired (lifetime ECL)	Total
Balance on 1 January	**(2,284)**	**(17)**	**(215)**	**(2,516)**
Change of stage				
Stage 1 (12-month ECL)	-	(145)	125	(20)
Stage 2 (lifetime ECL)	145	-	-	145
Stage 3 - Impaired (lifetime ECL)	(125)	-	-	(125)
Change in risk parameters	(2,576)	(1,594)	(73)	(4,243)
Changes to model assumptions and methodologies	-	-	-	-
Reversals due to disposals	119	5	-	124
Change in the consolidation scope	-	-	-	-
Reclassifications	-	-	-	-
Other changes	-	-	-	-
Balance on 30 June	**(4,720)**	**(1,752)**	**(163)**	**(6,635)**

In thousands of euros	2022 restated			
	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 - Impaired (lifetime ECL)	Total
Balance on 1 January	**(900)**	**(300)**	**(14)**	**(1,214)**
Change of stage				
Stage 1 (12-month ECL)	-	88	299	387
Stage 2 (lifetime ECL)	(88)	-	-	(88)
Stage 3 - Impaired (lifetime ECL)	(299)	-	-	(299)
Change in risk parameters	(1,208)	(21)	(500)	(1,729)
Changes to model assumptions and methodologies	-	-	-	-
Reversals due to disposals	212	216	-	428
Change in the consolidation scope	-	-	-	-
Reclassifications	-	-	-	-
Other changes	-	-	-	-
Balance on 31 December	**(2,284)**	**(17)**	**(215)**	**(2,516)**

9.4.5 Definition of fair value of financial instruments

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

In thousands of euros	30 June 2023			
	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				
At fair value through other items of comprehensive income	-	-	29,126	29,126
At fair value through profit or loss	-	-	6,122	6,122
Participating interests	**-**	**-**	**35,248**	**35,248**
Designated at fair value through other items of comprehensive income	501,975	-	137,365	639,341
Designated at fair value through profit or loss	6,012	-	-	6,012
Equities	**507,987**	**-**	**137,365**	**645,352**
At fair value through other items of comprehensive income	-	-	-	-
At fair value through profit or loss	155,232	21,014	283,694	459,940
Investment funds	**155,232**	**21,014**	**283,694**	**459,940**
At fair value through other items of comprehensive income	7,393,738	1,101,494	14,015	8,509,247
At fair value through profit or loss	459,166	81,180	266,923	807,268
Bonds	**7,852,904**	**1,182,674**	**280,938**	**9,316,516**
At fair value through profit or loss	-	-	40,394	40,394
Loans and deposits	**-**	**-**	**40,394**	**40,394**
At fair value through profit or loss	84	4,499	-	4,583
Held for hedging purposes	-	250,502	-	250,502
Derivative financial assets	**84**	**255,001**	**-**	**255,085**
Designated at fair value through profit or loss	2,019,312	31,634	2,077	2,053,024
Investments belonging to unit-linked insurance contracts	**2,019,312**	**31,634**	**2,077**	**2,053,024**
At fair value through other items of comprehensive income	107,399	-	-	107,399
Cash equivalents	**107,399**	**-**	**-**	**107,399**
Total financial assets	**10,642,917**	**1,490,324**	**779,716**	**12,912,958**
Financial liabilities				
At fair value through profit or loss	2,019,312	31,634	2,077	2,053,024
Investment contracts hedged by assets at fair value	**2,019,312**	**31,634**	**2,077**	**2,053,024**
At fair value through profit or loss	-	382	-	382
Held for hedging purposes	-	218,689	-	218,689
Derivative financial liabilities	**-**	**219,071**	**-**	**219,071**
Total financial liabilities	**2,019,312**	**250,705**	**2,077**	**2,272,095**

In thousands of euros	31 December 2022 restated			
	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				
At fair value through other items of comprehensive income	3	-	37,025	37,028
At fair value through profit or loss	-	-	5,264	5,264
Participating interests	**3**	**-**	**42,289**	**42,292**
Designated at fair value through other items of comprehensive income	443,666	-	86,735	530,400
Designated at fair value through profit or loss	-	-	-	-
Equities	**443,666**	**-**	**86,735**	**530,400**
At fair value through other items of comprehensive income	-	-	-	-
At fair value through profit or loss	153,680	20,017	240,423	414,120
Investment funds	**153,680**	**20,017**	**240,423**	**414,120**
At fair value through other items of comprehensive income	7,210,645	1,179,683	13,885	8,404,213
At fair value through profit or loss	399,769	183,023	247,953	830,745
Bonds	**7,610,415**	**1,362,705**	**261,838**	**9,234,959**
At fair value through profit or loss	-	-	39,059	39,059
Loans and deposits	**-**	**-**	**39,059**	**39,059**
At fair value through profit or loss	283	4,688	-	4,971
Held for hedging purposes	-	367,907	-	367,907
Derivative financial assets	**283**	**372,595**	**-**	**372,878**
Designated at fair value through profit or loss	1,584,223	23,699	1,381	1,609,303
Investments belonging to unit-linked insurance contracts	**1,584,223**	**23,699**	**1,381**	**1,609,303**
At fair value through other items of comprehensive income	39,947	-	-	39,947
Cash equivalents	**39,947**	**-**	**-**	**39,947**
Total financial assets	**9,832,216**	**1,779,016**	**671,724**	**12,282,957**
Financial liabilities				
At fair value through profit or loss	1,584,223	23,699	1,381	1,609,303
Investment contracts hedged by assets at fair value	**1,584,223**	**23,699**	**1,381**	**1,609,303**
At fair value through profit or loss	-	278	-	278
Held for hedging purposes	-	238,543	-	238,543
Derivative financial liabilities	**-**	**238,821**	**-**	**238,821**
Total financial liabilities	**1,584,223**	**262,520**	**1,381**	**1,848,124**

The fair value distribution of liabilities related to unit-linked insurance contracts is shown in the investment contracts hedged by assets at fair value.

9.4.6 Distribution between the various hierarchic levels

There has been no change in the criteria used to allocate assets between the different hierarchical levels.
For further information, please refer to the corresponding notes in the consolidated financial statements of the annual report as at 31 December 2022.

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

In thousands of euros	30 June 2023		31 December 2022 restated	
	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				
At fair value through other items of comprehensive income	-	-	-	-
At fair value through profit or loss	-	-	-	-
Participating interests	**-**	**-**	**-**	**-**
Designated at fair value through other items of comprehensive income	-	-	-	-
Designated at fair value through profit or loss	-	-	-	-
Equities	**-**	**-**	**-**	**-**
At fair value through other items of comprehensive income	-	-	-	-
At fair value through profit or loss	-	-	-	-
Investment funds	**-**	**-**	**-**	**-**
At fair value through other items of comprehensive income	6,533	10,994	133,277	92,683
At fair value through profit or loss	-	-	11,318	-
Bonds	**6,533**	**10,994**	**144,595**	**92,683**
At fair value through profit or loss	-	-	-	-
Loans and deposits	**-**	**-**	**-**	**-**
At fair value through profit or loss	-	-	-	-
Held for hedging purposes	-	-	-	-
Derivative financial assets	**-**	**-**	**-**	**-**
Designated at fair value through profit or loss	-	-	2,608	310
Investments belonging to unit-linked insurance contracts	**-**	**-**	**2,608**	**310**
At fair value through other items of comprehensive income	-	-	-	-
Cash equivalents	**-**	**-**	**-**	**-**
Total financial assets	**6,533**	**10,994**	**147,202**	**92,993**
Financial liabilities				
At fair value through profit or loss	-	-	2,608	310
Investment contracts hedged by assets at fair value	**-**	**-**	**2,608**	**310**
At fair value through profit or loss	-	-	-	-
Held for hedging purposes	-	-	-	-
Derivative financial liabilities	**-**	**-**	**-**	**-**
Total financial liabilities	**-**	**-**	**2,608**	**310**

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 (EUR 11 million) 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 EUR 6.5 million) involve securities that were valued by BGN (generic Bloomberg) and that are currently valued by the market price given by a counterparty.

9.4.8 Evolution of investments estimated at fair value in level 3

In thousands of euros	2023					
	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Investments belonging to unit-linked insurance contracts designated at fair value through profit or loss	Investment contracts hedged by assets at fair value	Total
Opening balance on 1 January	**13,885**	**123,760**	**532,699**	**1,381**	**(1,381)**	**670,344**
Acquisitions	-	51,498	66,727	741	-	118,966
Reclassifications between categories	-	-	-	-	-	-
Reclassification to level 3	-	-	-	-	-	-
Exit from level 3	-	-	-	-	-	-
Disposals and reimbursements	-	(3,586)	(14,766)	-	-	(18,352)
Adjustment at fair value through equity	104	(5,180)	-		-	(5,076)
Adjustment at fair value through profit or loss	-	-	12,449	(45)	-	12,404
Depreciation (premiums/discounts)	-	-	-	-	-	-
Changes in accrued interests not yet due	26	-	25	-	-	50
Impairments through profit or loss	-	-	-	-	-	-
Other changes	-	-	-	-	(696)	(696)
Closing balance on 30 June	**14,015**	**166,491**	**597,133**	**2,077**	**(2,077)**	**777,639**

In thousands of euros	2022 restated					
	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Investments belonging to unit-linked insurance contracts designated at fair value through profit or loss	Investment contracts hedged by assets at fair value	Total
Opening balance on 1 January	**59,487**	**206,948**	**396,641**	**-**	**-**	**663,076**
Acquisitions	-	2,224	183,633	2,927	-	188,784
Reclassifications between categories	-	(95,962)	-	-	-	(95,962)
Reclassification to level 3	-	-	-	-	-	-
Exit from level 3	(37,858)	-	(4,113)	-	-	(41,971)
Disposals and reimbursements	(5,030)	(166)	(45,966)	(1,527)	-	(52,689)
Adjustment at fair value through equity	(3,248)	10,715	-		-	7,468
Adjustment at fair value through profit or loss	-	-	2,476	(18)	-	2,458
Depreciation (premiums/discounts)	510	-	-	-	-	510
Changes in accrued interests not yet due	24	-	27	-	-	51
Impairments through profit or loss	-	-	-	-	-	-
Other changes	-	-	-	-	(1,381)	(1,381)
Closing balance on 31 December	**13,885**	**123,760**	**532,699**	**1,381**	**(1,381)**	**670,344**

For financial assets measured at fair value through other comprehensive income, the amount of acquisitions (EUR 51.5 million) mainly includes the acquisition of Fluxys shares for EUR 47.7 million. Sales and redemptions (EUR 3.6 million) were mainly due to the disposal of a property investment.

Regarding assets measured at fair value through profit or loss, the amount of acquisitions (EUR 66.7 million) mainly includes the acquisition of alternative funds for EUR 12.1 million, the acquisition and capital increase of infrastructure funds for EUR 16.8 million, and real estate funds for EUR 4.1 million, and the acquisition of bond funds for EUR 27.4 million. Sales and redemptions (EUR 14.8 million) are mainly explained by redemptions and disposals of alternative funds, infrastructure funds and real estate funds (EUR 4.3 million) and the disposal of bond funds (EUR 4.6 million).

9.5 Reinsurance contract assets

In thousands of euros	2023				
	Remaining coverage component		Incurred claims component		Total
	Excluding loss component	Loss component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	
Reinsurance contract assets	(1,067)	-	152,626	9,305	160,864
Reinsurance contract liabilities	-	-	(0)	0	0
Net reinsurance contract assets as at 1 January	**(1,067)**	**-**	**152,626**	**9,305**	**160,864**
Full retrospective approach	(29,904)	-	-	-	(29,904)
Modified retrospective approach	-	-	-	-	-
Fair value approach	-	-	-	-	-
Post transition	-	-	-	-	-
Allocation of premiums paid	**(29,904)**	**-**	**-**	**-**	**(29,904)**
Recoveries of incurred claims and other insurance service expense	-	-	7,559	23	7,582
Changes related to past service (changes related to incurred claims component)	-	-	(4,673)	(2,161)	(6,834)
Changes that relate to future service:	-	-	-	-	-
Recoveries of losses on onerous underlying contracts on initial recognition	-	-	-	-	-
Recoveries and reversals of recoveries of losses on onerous underlying contracts - subsequent measurement	-	-	-	-	-
Amounts recovered from reinsurance	**-**	**-**	**2,886**	**(2,138)**	**748**
Investment components	**-**	**-**	**-**	**-**	**-**
Effect of changes in non-performance risk of reinsurers	**-**	**-**	**(2)**	**-**	**(2)**
Net expenses from reinsurance	**(29,904)**	**-**	**2,884**	**(2,138)**	**(29,158)**
The effect of and changes in time of time value of money and financial risk	-	-	1,014	52	1,066
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	-	-	-	-	-
Reinsurance finance expenses	**-**	**-**	**1,014**	**52**	**1,066**
Other comprehensive income	**-**	**-**	**938**	**(47)**	**891**
Premiums and premium tax paid	23,201	-	-	-	23,201
Amounts recovered	-	-	(30,872)	-	(30,872)
Cash flows	**23,201**	**-**	**(30,872)**	**-**	**(7,671)**
Reinsurance contract assets	(783)	-	124,395	7,148	130,760
Reinsurance contract liabilities	(6,987)	-	2,194	23	(4,769)
Net reinsurance contract assets as at 30 June	**(7,770)**	**-**	**126,590**	**7,171**	**125,991**

In thousands of euros	2022 restated				
	Remaining coverage component		Incurred claims component		
	Excluding loss component	Loss component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	Total
Reinsurance contract assets	65	-	194,970	11,389	206,424
Reinsurance contract liabilities	-	-	(0)	0	0
Net reinsurance contract assets as at 1 January	**65**	**-**	**194,970**	**11,389**	**206,424**
Full retrospective approach	-	-	-	-	-
Modified retrospective approach	-	-	-	-	-
Fair value approach	-	-	-	-	-
Post transition	(40,727)	-	-	-	(40,727)
Allocation of premiums paid	**(40,727)**	**-**	**-**	**-**	**(40,727)**
Recoveries of incurred claims and other insurance service expense	-	-	27,716	1,074	28,791
Changes related to past service (changes related to incurred claims component)	-	-	(23,403)	(2,103)	(25,506)
Changes that relate to future service:	-	-	-	-	-
Recoveries of losses on onerous underlying contracts on initial recognition	-	-	-	-	-
Recoveries and reversals of recoveries of losses on onerous underlying contracts - subsequent measurement	-	-	-	-	-
Amounts recovered from reinsurance	**-**	**-**	**4,313**	**(1,028)**	**3,285**
Investment components	**-**	**-**	**-**	**-**	**-**
Effect of changes in non-performance risk of reinsurers	**-**	**-**	**1,825**	**-**	**1,825**
Net expenses from reinsurance	**(40,727)**	**-**	**6,139**	**(1,028)**	**(35,617)**
The effect of and changes in time of time value of money and financial risk	-	-	1,684	86	1,770
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	-	-	-	-	-
Reinsurance finance expenses	**-**	**-**	**1,684**	**86**	**1,770**
Other comprehensive income	**-**	**-**	**(19,892)**	**(1,142)**	**(21,034)**
Premiums and premium tax paid	39,596	-	-	-	39,596
Amounts recovered	-	-	(30,275)	-	(30,275)
Cash flows	**39,596**	**-**	**(30,275)**	**-**	**9,321**
Reinsurance contract assets	(1,067)	-	152,626	9,305	160,864
Reinsurance contract liabilities	-	-	(0)	0	0
Net reinsurance contract assets as at 31 December	**(1,067)**	**-**	**152,626**	**9,305**	**160,864**

The first half of 2022 was marked by the storms in February, which required the intervention of reinsurance.

The decrease in this item in 2022 is explained, on the one hand, by the reinsurers' share in the 2021 flooding reserves, given that payments have been made, and on the other hand, by the effect of discount rates.

In contrast to 2022, the first half of 2023 was marked by a low loss ratio requiring reinsurance.

9.6 Deferred tax assets and liabilities

Net deferred taxes amount to EUR 316.4 million (compared to EUR 336.8 million at 31/12/2022). This change of EUR -20 million is mainly due to the variation in deferred taxes on revaluations of investments (EUR -38.1 million) as well as the movement in deferred taxes on provisions for retirement commitments (EUR -3.1 million), partially offset by the movement in deferred taxes on insurance and reinsurance liabilities (EUR +21 million).

9.7 Receivables

9.7.1 Breakdown of receivables by nature

In thousands of euros	30 June 2023		
	Gross value	Impairment	Net book value
Receivables arising from direct insurance operations and accepted reinsurance	56,509	(7,286)	49,223
Receivables arising from ceded reinsurance operations	179,085	-	179,085
Receivables arising from other operations	123,709	(3,215)	120,493
Tax receivables	13,572	-	13,572
Other receivables	118,430	(3,345)	115,085
Total	**491,306**	**(13,846)**	**477,460**

In thousands of euros	31 December 2022 restated		
	Gross value	Impairment	Net book value
Receivables arising from direct insurance operations and accepted reinsurance	54,230	(6,345)	47,885
Receivables arising from ceded reinsurance operations	146,425	-	146,425
Receivables arising from other operations	107,314	(2,737)	104,577
Tax receivables	9,288	-	9,288
Other receivables	106,791	(1,793)	104,998
Total	**424,048**	**(10,875)**	**413,172**

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.

Receivables arising from insurance operations relate solely to receivables under investment contracts or taxes on insurance premiums.

9.7.2 Evolution of impairments on receivables

In thousands of euros	30 June 2023	31 December 2022 restated
Impairments on receivables on 1 January	**(10,875)**	**(8,726)**
Provisions of the financial year	(11,890)	(17,377)
Expenditures of the financial year	1,752	10,960
Reversals of the financial year	6,779	3,178
Changes in the consolidation scope	(112)	-
Other changes	500	1,090
Impairments on receivables on 30 June / 31 December	**(13,846)**	**(10,875)**

9.7.3 Outstanding receivables

There were no significant changes in the first half of 2023. For further information, please refer to the corresponding notes in the consolidated financial statements of the annual report as at 31 December 2022.

9.8 Insurance contract liabilities

9.8.1 Details of insurance contract liabilities by valuation method

In thousands of euros	30 June 2023	31 December 2022 restated
Valued according to the General Measurement Model	10,977	29,267
Valued according to the Premium Allocation Approach	-	-
Valued according to the Variable Fee Approach	-	-
Total insurance contract assets	**10,977**	**29,267**
Valued according to the General Measurement Model	7,125,842	6,802,751
Valued according to the Premium Allocation Approach	2,382,555	2,265,053
Valued according to the Variable Fee Approach	-	-
Total insurance contract liabilities	**9,508,396**	**9,067,804**

Liabilities valued according to the General Measurement Model and reclassified as assets relate to healthcare contracts.

Liabilities valued according to the General Measurement Model relate to Life for EUR 5,337 million and Non-Life for EUR 1,789 million.

Liabilities valued according to the Premium Allocation Approach mainly relate to Non-Life.

9.8.2 Insurance contract liabilities measured in accordance with the general model

9.8.2.1 Evolution by component

In thousands of euros	2023						
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM - Full retrospective approach	CSM - Modified retrospective approach	CSM - Fair value approach	CSM - Post transition	Total
Insurance contract assets	(230,357)	8,292	71,543	-	100,746	20,509	(29,267)
Insurance contract liabilities	5,947,396	73,245	68,542	-	694,573	18,995	6,802,751
Net insurance contract liabilities as at 1 January	**5,717,039**	**81,537**	**140,085**	**-**	**795,319**	**39,504**	**6,773,484**
CSM recognised for services provided	-	-	(3,416)	-	(26,985)	(22,629)	(53,030)
Change in the risk adjustment for non-financial risk for the risk expired	-	(8,760)	-	-	-	-	(8,760)
Experience adjustments	(35,225)	-	-	-	-	-	(35,225)
Restatement and other changes fully allocated to insurance service result	-	-	-	-	-	-	-
Change that relate to current services	**(35,225)**	**(8,760)**	**(3,416)**	**-**	**(26,985)**	**(22,629)**	**(97,016)**
Contracts initially recognised in the year	(109,411)	20,320	-	-	-	90,757	1,667
Changes in estimates that adjust the CSM	14,799	2,368	2,649	-	(2,964)	(16,853)	0
Changes in estimates that relate to losses and reversal of losses on onerous contracts	2,174	32	-	-	-	-	2,206
Changes that relate to future services	**(92,437)**	**22,720**	**2,649**	**-**	**(2,964)**	**73,905**	**3,873**
Changes in fulfilment cash flow	(21,338)	(2,563)	-	-	-	-	(23,901)
Experience adjustments	20,636	(2,382)	-	-	-	-	18,253
Changes that relate to past services	**(702)**	**(4,945)**	**-**	**-**	**-**	**-**	**(5,647)**
Insurance service result	**(128,365)**	**9,014**	**(767)**	**-**	**(29,949)**	**51,276**	**(98,791)**
The effect of and changes in time of time value of money and financial risk	68,650	65	500	-	9	860	70,084
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	-	-	-	-	-	-	-
Insurance finance expenses	**68,650**	**65**	**500**	**-**	**9**	**860**	**70,084**
Other comprehensive income	**157,579**	**2,732**	**-**	**-**	**-**	**-**	**160,311**
Premiums and premium tax received	710,770	-	-	-	-	-	710,770
Claims and other insurance service expenses paid, including investment components	(491,450)	-	-	-	-	-	(491,450)
Insurance acquisition cash flows	(9,543)	-	-	-	-	-	(9,543)
Cash flows	**209,776**	**-**	**-**	**-**	**-**	**-**	**209,776**
Insurance contract assets	(206,060)	5,976	67,344	-	98,454	23,310	(10,977)
Insurance contract liabilities	6,230,739	87,372	72,475	-	666,926	68,330	7,125,842
Net insurance contract liabilities as at 30 June	**6,024,679**	**93,348**	**139,818**	**-**	**765,379**	**91,640**	**7,114,865**

The significant increase in insurance contract liabilities measured in accordance with the general model (EUR 341.4 million) is mainly explained by the effective financial expense (time effect), net income from benefits (volume effect), the decrease in discount curves (effect of financial conditions), the increase in margin (RA) due to volume effects and the net increase in CSM after amortisation, due to the new business, mainly in Non-Life.

In thousands of euros	2022 restated						
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM - Full retrospective approach	CSM - Modified retrospective approach	CSM - Fair value approach	CSM - Post transition	Total
Insurance contract assets	(175,617)	8,314	44,424	-	41,322	-	(81,557)
Insurance contract liabilities	7,732,515	92,603	79,657	-	696,336	-	8,601,111
Net insurance contract liabilities as at 1 January	**7,556,898**	**100,917**	**124,081**	**-**	**737,658**	**-**	**8,519,554**
CSM recognised for services provided	-	-	(10,203)	-	(60,262)	(9,441)	(79,907)
Change in the risk adjustment for non-financial risk for the risk expired	-	(11,324)	-	-	-	-	(11,324)
Experience adjustments	(41,623)	-	-	-	-	-	(41,623)
Restatement and other changes fully allocated to insurance service result	-	-	-	-	-	-	-
Change that relate to current services	**(41,623)**	**(11,324)**	**(10,203)**	**-**	**(60,262)**	**(9,441)**	**(132,854)**
Contracts initially recognised in the year	(35,809)	13,073	-	-	-	29,236	6,499
Changes in estimates that adjust the CSM	(170,510)	5,552	25,121	-	120,042	19,795	(0)
Changes in estimates that relate to losses and reversal of losses on onerous contracts	1,403	(163)	-	-	-	-	1,239
Changes that relate to future services	**(204,917)**	**18,462**	**25,121**	**-**	**120,042**	**49,031**	**7,738**
Changes in fulfilment cash flow	62,805	1,526	-	-	-	-	64,330
Experience adjustments	55,818	(3,202)	-	-	-	-	52,616
Changes that relate to past services	**118,622**	**(1,676)**	**-**	**-**	**-**	**-**	**116,946**
Insurance service result	**(127,918)**	**5,461**	**14,917**	**-**	**59,780**	**39,590**	**(8,170)**
The effect of and changes in time of time value of money and financial risk	128,216	2,528	1,087	-	(2,119)	(85)	129,627
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	-	-	-	-	-	-	-
Insurance finance expenses	**128,216**	**2,528**	**1,087**	**-**	**(2,119)**	**(85)**	**129,627**
Other comprehensive income	**(1,925,452)**	**(27,370)**	**-**	**-**	**-**	**-**	**(1,952,821)**
Premiums and premium tax received	1,100,625	-	-	-	-	-	1,100,625
Claims and other insurance service expenses paid, including investment components	(998,561)	-	-	-	-	-	(998,561)
Insurance acquisition cash flows	(16,770)	-	-	-	-	-	(16,770)
Cash flows	**85,294**	**-**	**-**	**-**	**-**	**-**	**85,294**
Insurance contract assets	(230,357)	8,292	71,543	-	100,746	20,509	(29,267)
Insurance contract liabilities	5,947,396	73,245	68,542	-	694,573	18,995	6,802,751
Net insurance contract liabilities as at 31 December	**5,717,039**	**81,537**	**140,085**	**-**	**795,319**	**39,504**	**6,773,484**

9.8.2.2 Evolution by LRC/LIC

In thousands of euros	2023			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component		
Insurance contract assets	(32,139)	-	2,872	(29,267)
Insurance contract liabilities	5,956,942	7,554	838,255	6,802,751
Net insurance contract liabilities as at 1 January	**5,924,803**	**7,554**	**841,127**	**6,773,484**
CSM recognised for services provided	(3,416)	-	-	(3,416)
Change in risk adjustment for non-financial risk for risk expired	(1,250)	-	-	(1,250)
Expected insurance service expenses incurred:	(39,326)	-	-	(39,326)
Claims	(35,045)	-	-	(35,045)
Expenses	(4,281)	-	-	(4,281)
Recovery of insurance acquisition cash flows	-	-	-	-
Experience adjustments not related to future service	(10,159)	-	-	(10,159)
Full retrospective approach	**(54,151)**	**-**	**-**	**(54,151)**
CSM recognised for services provided	-	-	-	-
Change in risk adjustment for non-financial risk for risk expired	-	-	-	-
Expected insurance service expenses incurred:	-	-	-	-
Claims	-	-	-	-
Expenses	-	-	-	-
Recovery of insurance acquisition cash flows	-	-	-	-
Experience adjustments not related to future service	-	-	-	-
Modified retrospective approach	**-**	**-**	**-**	**-**
CSM recognised for services provided	(26,985)	-	-	(26,985)
Change in risk adjustment for non-financial risk for risk expired	(1,769)	-	-	(1,769)
Expected insurance service expenses incurred:	(74,536)	-	-	(74,536)
Claims	(62,372)	-	-	(62,372)
Expenses	(12,164)	-	-	(12,164)
Recovery of insurance acquisition cash flows	-	-	-	-
Experience adjustments not related to future service	777	-	-	777
Fair value approach	**(102,513)**	**-**	**-**	**(102,513)**
CSM recognised for services provided	(22,629)	-	-	(22,629)
Change in risk adjustment for non-financial risk for risk expired	(8,306)	-	-	(8,306)
Expected insurance service expenses incurred:	(147,692)	-	-	(147,692)
Claims	(130,521)	-	-	(130,521)
Expenses	(17,171)	-	-	(17,171)
Recovery of insurance acquisition cash flows	(28)	-	-	(28)
Experience adjustments not related to future service	(10,519)	-	-	(10,519)
Post transition	**(189,174)**	**-**	**-**	**(189,174)**
Insurance service revenue	**(345,838)**	**-**	**-**	**(345,838)**

In thousands of euros	2023			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component		
Incurred insurance service expenses:	-	(2,217)	251,012	248,795
Claims	-	(1,910)	225,640	223,730
Expenses	-	(307)	25,380	25,073
Other movements related to current service	-	-	(8)	(8)
Amortisation of insurance acquisition cash flows	28	-	-	28
Changes that relate to past service (changes in fulfilment cash flows)	-	-	(5,647)	(5,647)
Changes that relate to future service:	-	3,873	-	3,873
Losses for the net outflow recognised on initial recognition	-	1,667	-	1,667
Losses and reversal of losses on onerous contracts - subsequent measurement	-	2,206	-	2,206
Insurance service expenses	28	1,655	245,364	247,048
Investment components	(270,600)	-	270,600	-
Insurance service result	**(616,410)**	**1,655**	**515,964**	**(98,791)**
The effect of and changes in time of time value of money and financial risk	59,956	(77)	10,205	70,084
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	-	-	-	-
Insurance finance expenses	**59,956**	**(77)**	**10,205**	**70,084**
Other comprehensive income	**134,074**	**-**	**26,237**	**160,311**
Premiums and premium tax received	710,770	-	-	710,770
Claims and other insurance service expenses paid, including investment components	-	-	(491,450)	(491,450)
Insurance acquisition cash flows	(9,543)	-	-	(9,543)
Cash flows	**701,226**	**-**	**(491,450)**	**209,776**
Insurance contract assets	(14,771)	-	3,794	(10,977)
Insurance contract liabilities	6,218,420	9,133	898,289	7,125,842
Net insurance contract liabilities as at 30 June	**6,203,649**	**9,133**	**902,083**	**7,114,865**

The significant increase in insurance contract liabilities measured in accordance with the general model (EUR 341.4 million) can also be explained by the net income from benefits and expenses (EUR 209.8 million), financial impacts (EUR 160.3 million), the accumulation of the effective financial expense in reserves (EUR 70.1 million) offset by insurance service result (- EUR 98.8 million) whose main part (- EUR 64.4 million) comes from the amortisation of CSM and RA.

In thousands of euros	2022 restated			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component		
Insurance contract assets	(83,884)	-	2,327	(81,557)
Insurance contract liabilities	7,707,246	2,729	891,137	8,601,111
Net insurance contract liabilities as at 1 January	**7,623,362**	**2,729**	**893,464**	**8,519,554**
CSM recognised for services provided	(10,203)	-	-	(10,203)
Change in risk adjustment for non-financial risk for risk expired	(3,983)	-	-	(3,983)
Expected insurance service expenses incurred:	(120,322)	-	-	(120,322)
Claims	(110,133)	-	-	(110,133)
Expenses	(10,189)	-	-	(10,189)
Recovery of insurance acquisition cash flows	(817)	-	-	(817)
Experience adjustments not related to future service	(10,030)	-	-	(10,030)
Full retrospective approach	**(145,355)**	**-**	**-**	**(145,355)**
CSM recognised for services provided	-	-	-	-
Change in risk adjustment for non-financial risk for risk expired	-	-	-	-
Expected insurance service expenses incurred:	-	-	-	-
Claims	-	-	-	-
Expenses	-	-	-	-
Recovery of insurance acquisition cash flows	-	-	-	-
Experience adjustments not related to future service	-	-	-	-
Modified retrospective approach	**-**	**-**	**-**	**-**
CSM recognised for services provided	(60,262)	-	-	(60,262)
Change in risk adjustment for non-financial risk for risk expired	(2,387)	-	-	(2,387)
Expected insurance service expenses incurred:	(165,483)	-	-	(165,483)
Claims	(141,138)	-	-	(141,138)
Expenses	(24,345)	-	-	(24,345)
Recovery of insurance acquisition cash flows	-	-	-	-
Experience adjustments not related to future service	273	-	-	273
Fair value approach	**(227,858)**	**-**	**-**	**(227,858)**
CSM recognised for services provided	(9,441)	-	-	(9,441)
Change in risk adjustment for non-financial risk for risk expired	(9,408)	-	-	(9,408)
Expected insurance service expenses incurred:	(173,710)	-	-	(173,710)
Claims	(155,544)	-	-	(155,544)
Expenses	(18,166)	-	-	(18,166)
Recovery of insurance acquisition cash flows	(265)	-	-	(265)
Experience adjustments not related to future service	(42,574)	-	-	(42,574)
Post transition	**(235,399)**	**-**	**-**	**(235,399)**
Insurance service revenue	**(608,612)**	**-**	**-**	**(608,612)**

In thousands of euros	2022 restated			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component		
Incurred insurance service expenses:	-	(2,887)	477,563	474,676
Claims	-	(2,566)	434,126	431,560
Expenses	-	(321)	43,501	43,180
Other movements related to current service	-	-	(63)	(63)
Amortisation of insurance acquisition cash flows	1,082	-	-	1,082
Changes that relate to past service (changes in fulfilment cash flows)	-	-	116,946	116,946
Changes that relate to future service:	-	7,738	-	7,738
Losses for the net outflow recognised on initial recognition	-	6,499	-	6,499
Losses and reversal of losses on onerous contracts - subsequent measurement	-	1,239	-	1,239
Insurance service expenses	1,082	4,851	594,510	600,443
Investment components	(546,662)	-	546,662	-
Insurance service result	**(1,154,192)**	**4,851**	**1,141,171**	**(8,170)**
The effect of and changes in time of time value of money and financial risk	116,295	(26)	13,358	129,627
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	-	-	-	-
Insurance finance expenses	**116,295**	**(26)**	**13,358**	**129,627**
Other comprehensive income	**(1,744,517)**	**-**	**(208,305)**	**(1,952,821)**
Premiums and premium tax received	1,100,625	-	-	1,100,625
Claims and other insurance service expenses paid, including investment components	-	-	(998,561)	(998,561)
Insurance acquisition cash flows	(16,770)	-	-	(16,770)
Cash flows	**1,083,855**	**-**	**(998,561)**	**85,294**
Insurance contract assets	(32,139)	-	2,872	(29,267)
Insurance contract liabilities	5,956,942	7,554	838,255	6,802,751
Net insurance contract liabilities as at 31 December	**5,924,803**	**7,554**	**841,127**	**6,773,484**

9.8.2.3 Insurance contracts recognised during the year

In thousands of euros	30 June 2023		
	Profitable contracts issued	Onerous contracts issued	Total
Insurance acquisition cash flows	13,303	0	13,303
Claims and other insurance service expenses payable	394,239	1,709	395,948
Estimates of present value of cash outflows	**407,543**	**1,709**	**409,252**
Estimates of present value of cash inflows	**(518,585)**	**(78)**	**(518,662)**
Risk adjustment for non-financial risk	**20,284**	**36**	**20,320**
Contractual service margin	**90,757**	**-**	**90,757**
Losses recognised on initial recognition	**-**	**1,667**	**1,667**

The table above shows the breakdown between profitable and onerous contracts issued during the first half of 2023. For the whole new activity, a loss of EUR 1.7 million was immediately recognised. In addition, the activity generated a contractual service margin of EUR 90.8 million, including EUR 15.7 million in Life and EUR 75.1 million in Non-Life. The margin volume generated by the new Non-Life business, measured in accordance with the general model, is mainly focused on Workers' Compensation products, and is due partly to volume effects and partly to lower loss ratio expectations.

In thousands of euros	31 December 2022 restated		
	Profitable contracts issued	Onerous contracts issued	Total
Insurance acquisition cash flows	13,573	5	13,578
Claims and other insurance service expenses payable	339,887	12,008	351,895
Estimates of present value of cash outflows	**353,460**	**12,013**	**365,473**
Estimates of present value of cash inflows	**(395,546)**	**(5,737)**	**(401,283)**
Risk adjustment for non-financial risk	**12,850**	**222**	**13,073**
Contractual service margin	**29,236**	**-**	**29,236**
Losses recognised on initial recognition	**-**	**6,499**	**6,499**

9.8.3 Insurance contract liabilities measured in accordance with the simplified model

In thousands of euros	2023				
	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	
Insurance contract assets	-	-	-	-	-
Insurance contract liabilities	278,175	10,278	1,919,830	56,771	2,265,053
Net insurance contract liabilities as at 1 January	**278,175**	**10,278**	**1,919,830**	**56,771**	**2,265,053**
Full retrospective approach	(53,536)	-	-	-	(53,536)
Modified retrospective approach	-	-	-	-	-
Fair value approach	-	-	-	-	-
Post transition	(543,479)	-	-	-	(543,479)
Insurance service revenue	**(597,015)**	**-**	**-**	**-**	**(597,015)**
Incurred insurance service expenses:	-	-	429,200	9,054	438,254
Claims	-	-	365,279	7,952	373,231
Expenses	-	-	63,921	1,106	65,027
Other movements related to current service	-	-	-	(4)	(4)
Amortisation of insurance acquisition cash flows	43,788	-	-	-	43,788
Changes that relate to past service (changes in fulfilment cash flows)	-	-	44,790	(1,411)	43,378
Changes that relate to future service:	-	(5,173)	-	-	(5,173)
Losses for the net outflow recognised on initial recognition	-	-	-	-	-
Losses and reversal of losses on onerous contracts - subsequent measurement	-	(5,173)	-	-	(5,173)
Insurance service expenses	**43,788**	**(5,173)**	**473,990**	**7,642**	**520,247**
Investment components	**-**	**-**	**-**	**-**	**-**
Insurance service result	(553,227)	(5,173)	473,990	7,642	(76,768)
The effect of and changes in time of time value of money and financial risk	-	-	11,458	307	11,765
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	-	-	-	-	-
Insurance finance expenses	-	-	11,458	307	11,765
Other comprehensive income	-	-	9,928	(416)	9,511
Premiums and premium tax received	702,435	-	-	-	702,435
Claims and other insurance service expenses paid, including investment components	-	-	(485,639)	-	(485,639)
Insurance acquisition cash flows	(43,803)	-	-	-	(43,803)
Cash flows	658,632	-	(485,639)	-	172,993
Insurance contract assets	-	-	-	-	-
Insurance contract liabilities	383,580	5,105	1,929,566	64,304	2,382,555
Net insurance contract liabilities as at 30 June	**383,580**	**5,105**	**1,929,566**	**64,304**	**2,382,555**

The increase in liabilities for the current coverage measured in accordance with the simplified model (EUR 105.4 million) is mainly due to a seasonal effect, with more unearned premiums in the first half of the year than in the second. Liabilities for incurred claims are stable, demonstrating a good match between expected and actual expenses. The slight increase in liabilities for incurred claims (EUR 9.7 million) is mainly due to changes in financial conditions.

The activity valued in accordance with the simplified model resulted in onerous contracts, which were directly recognised as a loss in the income statement (EUR 5.1 million).

In thousands of euros	2022 restated				
	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial risk	
Insurance contract assets	-	-	-	-	-
Insurance contract liabilities	290,733	3,258	2,105,462	60,783	2,460,237
Net insurance contract liabilities as at 1 January	**290,733**	**3,258**	**2,105,462**	**60,783**	**2,460,237**
Full retrospective approach	(428,674)	-	-	-	(428,674)
Modified retrospective approach	-	-	-	-	-
Fair value approach	-	-	-	-	-
Post transition	(756,870)	-	-	-	(756,870)
Insurance service revenue	**(1,185,543)**	**-**	**-**	**-**	**(1,185,543)**
Incurred insurance service expenses:	-	-	918,676	15,208	933,883
Claims	-	-	775,435	13,525	788,960
Expenses	-	-	143,241	1,684	144,925
Other movements related to current service	-	-	-	(1)	(1)
Amortisation of insurance acquisition cash flows	81,044	-	-	-	81,044
Changes that relate to past service (changes in fulfilment cash flows)	-	-	66,073	(12,189)	53,884
Changes that relate to future service:	-	7,020	-	-	7,020
Losses for the net outflow recognised on initial recognition	-	10,171	-	-	10,171
Losses and reversal of losses on onerous contracts - subsequent measurement	-	(3,152)	-	-	(3,152)
Insurance service expenses	**81,044**	**7,020**	**984,748**	**3,019**	**1,075,831**
Investment components	**-**	**-**	**-**	**-**	**-**
Insurance service result	(1,104,500)	7,020	984,748	3,019	(109,712)
The effect of and changes in time of time value of money and financial risk	-	-	17,132	478	17,609
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	-	-	-	-	-
Insurance finance expenses	-	-	17,132	478	17,609
Other comprehensive income	-	-	(283,082)	(7,509)	(290,591)
Premiums and premium tax received	1,172,985	-	-	-	1,172,985
Claims and other insurance service expenses paid, including investment components	-	-	(904,430)	-	(904,430)
Insurance acquisition cash flows	(81,044)	-	-	-	(81,044)
Cash flows	1,091,941	-	(904,430)	-	187,510
Insurance contract assets	-	-	-	-	-
Insurance contract liabilities	278,175	10,278	1,919,830	56,771	2,265,053
Net insurance contract liabilities as at 31 December	**278,175**	**10,278**	**1,919,830**	**56,771**	**2,265,053**

9.9 Investment contract liabilities

In thousands of euros	2023		
	At amortised cost	At fair value through profit or loss	Total
Opening balance on 1 January	3,536,654	1,609,303	5,145,957
Contributions received	662,259	376,470	1,038,729
Benefits paid	(1,147,507)	(27,091)	(1,174,597)
Asset management fees charged	(4,658)	(1,136)	(5,794)
Investment return	21,431	95,632	117,063
Other movements	1,733	(154)	1,579
Net book value on 30 June	**3,069,913**	**2,053,024**	**5,122,936**

In thousands of euros	2022 restated		
	At amortised cost	At fair value through profit or loss	Total
Opening balance on 1 January	3,656,822	1,778,054	5,434,876
Contributions received	1,306,184	193,956	1,500,140
Benefits paid	(1,459,427)	(94,222)	(1,553,650)
Asset management fees charged	(7,217)	(622)	(7,839)
Investment return	36,681	(267,636)	(230,955)
Other movements	3,611	(226)	3,385
Net book value on 31 December	**3,536,654**	**1,609,303**	**5,145,957**

The decrease in investment liabilities valued at amortised cost is due to benefits paid (- EUR 1,147.5 million) being higher than contributions received (EUR 662.3 million), mainly for financing funds (- EUR 331.2 million in cash flow) and branch 21 insurance contracts with a review clause (- EUR 153.5 million in cash flow).

The increase in investment liabilities valued at fair value through profit or loss is mainly due to contributions received (+ EUR 376.5 million) and to return on underlying assets (+ EUR 95.6 million, mainly due to evolution in interest rates).

9.10 Financial debts

The following table details the financial debts:

In thousands of euros	30 June 2023		31 December 2022 restated	
	Balance value	Fair value	Balance value	Fair value
Convertible subordinated bond loans	-	-	-	-
Non-convertible subordinated bond loans	537,950	548,890	495,106	500,301
Subordinated debts	**537,950**	**548,890**	**495,106**	**500,301**
Lease obligations	**65,236**	**65,236**	**50,513**	**50,513**
Convertible bond loans	-	-	-	-
Non-convertible bond loans	-	-	-	-
Bank overdrafts	1,202	1,202	58	58
Payables arising from repurchase operations (repo)	440,211	440,211	419,355	419,355
Collateral received as guarantee	30,170	30,170	125,930	125,930
Others	45,703	45,703	37,961	37,961
Other financial debts	**517,286**	**517,286**	**583,304**	**583,304**
Total of the financial debts	**1,120,471**	**1,131,412**	**1,128,922**	**1,134,118**

During the first half, a new subordinated loan was issued for EUR 250 million (see section 1. Key facts of the first half of 2023, item 1.4), the 2008 loan was repaid early (maturity July 2023) and the 2015 loan was partially paid off. Total nominal amount of loans amounts to EUR 542.2 million.

The valuation at fair value of these loans is based on the Ask market price (source Bloomberg).

9.11 Employee benefits

The decrease of EUR 17 million in employee benefits is mainly explained by the fall in net liabilities under defined benefit schemes (EUR -14 million). This decline is due to the invoice of the OFP (EUR -20 million) and the return on assets (EUR -17 million), partially offset by the cost of services and interests (EUR +24 million).

9.12 Trade and other payables

The following table details trade and other payables:

In thousands of euros	30 June 2023	31 December 2022 restated
Liabilities arising from direct insurance operations and accepted reinsurance	37,732	52,998
Liabilities arising from ceded reinsurance operations	196,870	177,491
Liabilities from operating activities	**234,601**	**230,489**
Tax on current result	2,203	3,463
Other contributions and taxes	75,351	75,779
Tax liability payable	**77,554**	**79,243**
Social security payables	69,946	75,239
Trade payables	100,815	88,404
Other payables	218,876	92,913
Accruals for liabilities	45,882	29,833
Other payables	**435,519**	**286,259**
Total other payables	**747,674**	**595,990**

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

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

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

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

10 Notes to the consolidated income statement

10.1 Result of insurance services

In thousands of euros	30 June 2023	30 June 2022 restated
CSM recognised for services provided	**53,030**	**36,268**
Change in risk adjustment for non-financial risk for risk expired	**11,325**	**10,843**
Claims	227,938	257,407
Expenses	33,615	33,735
Other expenses under the VFA	-	-
Expected insurance service expenses incurred	**261,553**	**291,142**
Recovery of insurance acquisition cash flows	**28**	**470**
Experience adjustments not related to future service	**19,902**	**25,979**
Restatement and other changes	**-**	**-**
Expected premium receipts allocation under the PAA	**597,015**	**587,764**
Insurance revenue	**942,853**	**952,466**
Claims	(596,961)	(620,413)
Expenses	(90,100)	(86,729)
Other expenses under the VFA	-	-
Other movements related to current service	12	4
Incurred insurance service expenses	**(687,048)**	**(707,139)**
Insurance acquisition cash flows expensed when incurred	**-**	**-**
Amortisation of insurance acquisition cash flows	**(43,816)**	**(42,934)**
Impairment loss on assets for insurance acquisition cash flow	**-**	**-**
Reversal of impairment loss on assets for insurance acquisition cash flow	**-**	**-**
Changes in estimates in LIC fulfilment cash flows	(162,293)	(238,353)
Experience adjustments in claims and other insurance service expenses in LIC	124,562	152,472
Changes that relate to past service	**(37,731)**	**(85,881)**
Losses for the net outflow recognised on initial recognition	(1,667)	(2,617)
Losses and reversal of losses on onerous contracts - subsequent measurement	2,967	(393)
Changes that relate to future service	**1,301**	**(3,010)**
Insurance service expenses	**(767,294)**	**(838,964)**

In thousands of euros	30 June 2023	30 June 2022 restated
Allocation of the premiums paid	**(29,904)**	**(20,670)**
Claims	7,804	19,903
Expenses	-	-
Other movements related to current service	(222)	-
Incurred insurance service expenses	**7,582**	**19,903**
Changes in estimates in LIC fulfilment cash flows	(5,749)	(8,881)
Experience adjustments in claims and other insurance service expenses in LIC	(1,085)	-
Changes that relate to past service (changes in fulfilment cash flows - LIC)	**(6,834)**	**(8,881)**
Loss recovery related to losses on underlying insurance contracts at initial recognition	-	-
Loss recovery and reversals of recoveries related to underlying insurance contracts losses - subsequent measurement	-	-
Changes that relate to future service	**-**	**-**
Amounts recovered from reinsurance	**748**	**11,022**
Changes in risk of non-performance	**(2)**	**2,664**
Net expenses from reinsurance contracts	**(29,158)**	**(6,985)**
INSURANCE SERVICE RESULT	**146,401**	**106,517**

The insurance service result of the first half of 2023 is EUR 146 million, which is EUR 40 million more than in the first half of 2022. This increase is mainly due to a rise in the amount of margin recognised for services provided (+ EUR 17 million), thanks mainly to the increase in CSM of the new Non-Life business, and also to the effects of reduced claims expenses partially offset by an increase in the cost of reinsurance.

The increase in the cost of reinsurance in 2023 compared with 2022 is mainly explained by the increase in reinsurance premiums and the reduction in their intervention given the low loss ratio observed in the first half of 2023.

10.2 Net income from investments

In thousands of euros	30 June 2023					
	Net income from investments	Net realised gains or losses on investments	Change in fair value of investments through profit or loss	Change in amortisations and depreciations on investments	Other investment-related financial expenses	Total
At amortised cost	11,796	-	-	(4,730)	-	7,067
Investment properties	**11,796**	**-**	**-**	**(4,730)**	**-**	**7,067**
At fair value through other items of comprehensive income	135	9,806	-	-	-	9,941
At fair value through profit or loss	-	-	-	-	-	-
Participating interests	**135**	**9,806**	**-**	**-**	**-**	**9,941**
Designated at fair value through other items of comprehensive income	14,039	-	-	-	-	14,039
Designated at fair value through profit or loss	138	187	(400)	-	-	(74)
Shares	**14,177**	**187**	**(400)**	**-**	**-**	**13,965**
At fair value through other items of comprehensive income	-	-	-	-	-	-
At fair value through profit or loss	9,122	(1,473)	15,725	-	-	23,374
Investment funds	**9,122**	**(1,473)**	**15,725**	**-**	**-**	**23,374**
At amortised cost	21,737	(434)	-	(1,334)	-	19,968
At fair value through other items of comprehensive income	103,279	(1,302)	-	(5,183)	-	96,794
At fair value through profit or loss	15,250	1,425	3,481	-	-	20,156
Bonds	**140,265**	**(311)**	**3,481**	**(6,518)**	**-**	**136,918**
At amortised cost	19,310	28	-	(2,801)	-	16,537
At fair value through profit or loss	732	-	(456)	-	-	275
Loans and deposits	**20,042**	**28**	**(456)**	**(2,801)**	**-**	**16,812**
At fair value through profit or loss	2,778	-	(3,519)	-	-	(741)
Held for hedging purposes	-	231	(506)	-	-	(275)
Derivative financial instruments	**2,778**	**231**	**(4,025)**	**-**	**-**	**(1,016)**
Designated at fair value through profit or loss	5,858	8,124	82,017	-	(368)	95,632
Investments belonging to unit-linked insurance contracts	**5,858**	**8,124**	**82,017**	**-**	**(368)**	**95,632**
At amortised cost	(3,778)	(5)	7	-	-	(3,776)
At fair value through other items of comprehensive income	-	-	-	-	-	-
Cash and cash equivalents	**(3,778)**	**(5)**	**7**	**-**	**-**	**(3,776)**
At amortised cost	(21,431)	-	-	-	-	(21,431)
At fair value through profit or loss	-	-	(95,632)	-	-	(95,632)
Investment contract liabilities	**(21,431)**	**-**	**(95,632)**	**-**	**-**	**(117,063)**
Others	**2,383**	**-**	**-**	**-**	**(6,742)**	**(4,358)**
Net financial result	**181,349**	**16,588**	**717**	**(14,048)**	**(7,109)**	**177,496**

In thousands of euros	30 June 2022 restated					
	Net income from investments	Net realised gains or losses on investments	Change in fair value of investments through profit or loss	Change in amortisations and depreciations on investments	Other investment-related financial expenses	Total
At amortised cost	12,095	-	-	(5,538)	-	6,558
Investment properties	**12,095**	**-**	**-**	**(5,538)**	**-**	**6,558**
At fair value through other items of comprehensive income	3,378	-	-	-	-	3,378
At fair value through profit or loss	-	-	-	-	-	-
Participating interests	**3,378**	**-**	**-**	**-**	**-**	**3,378**
Designated at fair value through other items of comprehensive income	14,911	-	-	-	-	14,911
Designated at fair value through profit or loss	312	(2,529)	(226)	-	-	(2,443)
Shares	**15,223**	**(2,529)**	**(226)**	**-**	**-**	**12,468**
At fair value through other items of comprehensive income	7	-	-	-	-	7
At fair value through profit or loss	6,465	(643)	(57,748)	-	-	(51,926)
Investment funds	**6,472**	**(643)**	**(57,748)**	**-**	**-**	**(51,919)**
At amortised cost	22,458	176	-	(557)	-	22,077
At fair value through other items of comprehensive income	134,425	10,229	-	(3,077)	-	141,577
At fair value through profit or loss	12,995	(281)	(49,683)	-	-	(36,969)
Bonds	**169,878**	**10,124**	**(49,683)**	**(3,634)**	**-**	**126,686**
At amortised cost	8,762	0	-	74	-	8,837
At fair value through profit or loss	735	-	(1,088)	-	-	(353)
Loans and deposits	**9,497**	**0**	**(1,088)**	**74**	**-**	**8,484**
At fair value through profit or loss	(4)	-	(901)	-	-	(905)
Held for hedging purposes	(153)	-	(473)	-	-	(626)
Derivative financial instruments	**(157)**	**-**	**(1,374)**	**-**	**-**	**(1,531)**
Designated at fair value through profit or loss	2,343	(8,028)	(241,312)	-	(254)	(247,251)
Investments belonging to unit-linked insurance contracts	**2,343**	**(8,028)**	**(241,312)**	**-**	**(254)**	**(247,251)**
At amortised cost	1,580	7	19	-	-	1,606
At fair value through other items of comprehensive income	-	-	-	-	-	-
Cash and cash equivalents	**1,580**	**7**	**19**	**-**	**-**	**1,606**
At amortised cost	(26,135)	-	-	-	-	(26,135)
At fair value through profit or loss	-	-	247,251	-	-	247,251
Investment contract liabilities	**(26,135)**	**-**	**247,251**	**-**	**-**	**221,116**
Others	**659**	**-**	**-**	**-**	**(5,742)**	**(5,083)**
Net financial result	**194,834**	**(1,070)**	**(104,161)**	**(9,098)**	**(5,995)**	**74,510**

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

10.3 Financial expenses on insurance and reinsurance contracts

In thousands of euros	30 June 2023	30 June 2022 restated
Interest accreted on the carrying amount of the CSM	1,369	(37)
Interest accreted on present value cash flows	26,884	15,654
Interest accreted on risk adjustment	723	374
Interest accreted on LRC for contracts measured under the PAA.	-	-
The effect of time value of money and changes in the time value of money, based on the locked-in interest rates:	**28,977**	**15,991**
The effect of financial risk and changes in financial risk	**52,873**	**58,754**
Insurance finance expense from insurance contracts	**81,849**	**74,744**
Interest accreted on the carrying amount of the CSM	-	-
Interest accreted on present value cash flows	(914)	(848)
Interest accreted on risk adjustment	(47)	(44)
Interest accreted on LRC for contracts measured under the PAA.	-	-
The effect of time value of money and changes in the time value of money, based on the locked-in interest rates:	**(962)**	**(892)**
The effect of financial risk and changes in financial risk	**(104)**	**(10)**
Insurance finance income from reinsurance contracts	**(1,066)**	**(902)**
Insurance finance expense from insurance and reinsurance contracts	**80,783**	**73,842**

Financial expenses on insurance contracts include the guaranteed rate payable on Life insurance contracts. The increase in finance costs is mainly due to a volume effect reflecting an increase in liabilities following a positive net income.

10.4 Employee benefit expenses

There were no significant changes in the first half of 2023. For further information, please refer to the corresponding notes in the consolidated financial statements of the annual report as at 31 December 2022.

11 Notes relating to items not included in the balance sheet

11.1 Related parties

The following transactions with related parties are shown in these notes:

- 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;
- non-consolidated subsidiaries (only 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 Ariane Building, AssurCard, Bedrijvencentrum Geraardsbergen, Cityforward, Hamsterhuren II, Epico II Wind, Epimede, Green4You, IMA Benelux, Letsgocity (until 2023), Land Investment Vehicle, Palais des Expositions Charleroi, NEB Foncière, NEB Participations, Ukot Liège (since 2023), Vital Building (until 2022) and Zabrix I; and
- the other related parties, viz. Ethias Pension Fund (OFP).

11.1.1 Transactions related to the balance sheet

In thousands of euros	30 June 2023					
	The entities exercising joint control or significant influence over the entity	Non-consolidated subsidiaries	Joint ventures	Associated companies	Other related parties	Total
Loans	213,542	-	38,312	125,132	-	376,985
Receivables	-	-	7	1,813	-	1,819
Any other assets	-	-	-	-	-	-
Total assets with related parties	**213,542**	**-**	**38,319**	**126,944**	**-**	**378,805**
Insurance and investment contract liabilities	-	-	-	-	-	-
Financial debts	-	-	-	-	-	-
Trade and other payables	22	-	259	517	-	797
Total liabilities with related parties	**22**	**-**	**259**	**517**	**-**	**797**

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

At 30 June 2023, the balance of these loans is EUR 7.4 million to SFPI/FPIM, EUR 206.1 million to the Walloon and Flemish Regions, EUR 38.3 million to WLP Holding, EUR 3.5 million to Green4You, EUR 4.7 million to Epimede, EUR 2.5 million to Ariane Building and EUR 114.4 million to Cityforward.

11.1.2 Transactions related to revenues and expenses

In thousands of euros	30 June 2023					
	The entities exercising joint control or significant influence over the entity	Non-consolidated subsidiaries	Joint ventures	Associated companies	Other related parties	Total
Insurance result	-	-	-	-	-	-
Net revenue from investment	100	-	798	7,729	-	8,627
Other operating revenue	65	-	6	-	-	70
Other operating expenses	-	-	(1,075)	(2,967)	(19,503)	(23,545)
Asset management fees charged	-	-	-	-	-	-
Finance costs	-	-	-	-	-	-
Total	**165**	**-**	**(271)**	**(7,557)**	**(19,503)**	**(27,167)**

In thousands of euros	30 June 2022 restated					
	The entities exercising joint control or significant influence over the entity	Non-consolidated subsidiaries	Joint ventures	Associated companies	Other related parties	Total
Insurance result	-	-	-	-	-	-
Net revenue from investment	16	-	999	3,353	-	4,368
Other operating revenue	-	-	89	-	-	89
Other operating expenses	42	-	(1,929)	(24)	(22,321)	(24,232)
Asset management fees charged	-	-	-	-	-	-
Finance costs	-	-	-	-	-	-
Total	**58**	**-**	**(842)**	**3,329**	**(22,321)**	**(19,775)**

Operating expenses with other related parties mainly concern invoices paid to the OFP for the employees' group insurance.

11.1.3 Remunerations for key management personnel

The remuneration of the members of the Board of Directors and the key executives is determined annually. For this reason, no other details are included in this interim report.

As at 30 June 2023, no loans, credits or bank guarantees had been granted to members of the Board of Directors or the Management Committee or to members of their close relatives.

11.1.4 Other transactions with related parties

In thousands of euros	30 June 2023					
	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	9,900	-	-	-	-	9,900
Commitments and guarantees received	-	-	-	-	-	-
Total	**9,900**	**-**	**-**	**-**	**-**	**9,900**

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**

At 31 December 2022, the commitment of the Regions to Ethias regarding the flooding was EUR 15.8 million. Furthermore, Ethias had a lending commitment of EUR 12.6 million to the SFPI/FPIM as well as a commitment of EUR 17.4 million to Cityforward.

As of 30 June 2023, Ethias' commitment to SFPI/FPIM amounts to EUR 9.9 million.

11.2 Commitments

11.2.1 Received commitments

In thousands of euros	30 June 2023	31 December 2022
Guarantee commitments	654,341	717,216
Finance commitment	9,623	1,798
Other received commitments	-	15,800
Total	**663,964**	**734,813**

Guarantee commitments mainly include guarantees linked to mortgage loans granted by the Group.

In 2022, the other commitments received related to the estimated amounts to be 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 Annual Report).

11.2.2 Given commitments

In thousands of euros	30 June 2023	31 December 2022
Guarantee commitments with regard to financing	-	-
Other guarantee commitments	7,561	7,357
Commitments on securities	460,348	444,039
Other given commitments	508,975	647,603
Total	**976,885**	**1,098,999**

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 EUR 436.4 million at June 30, 2023 (compared to EUR 419.4 million at December 31, 2022) following the implementation of an investment programme financed by repos as well as securities paid as collateral for EUR 24 million at June 30, 2023.

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

11.3 Contingent liabilities

The Group has no contingent liabilities in 2022 and 2023.

12 Statutory auditor's report on the consolidated financial statements for the year ended 30 June 2023

Ethias SA/NV
For the attention of the board of directors
Rue des Croisiers 24
4000 LIÈGE

STATUTORY AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF ETHIAS SA/NV ON THE REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2023 AND FOR THE SIX-MONTH PERIOD THEN ENDED

Introduction

We have reviewed the accompanying consolidated condensed balance sheet of Ethias SA/NV (the "Company") and its subsidiaries (collectively referred to as "the Group") as at 30 June 2023 and the related consolidated income statement, the statement of consolidated comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the six-month period then ended, and explanatory notes, comprising a summary of significant accounting policies and other explanatory notes, collectively, the "Interim Condensed Consolidated Financial Statements".

These statements show a consolidated balance sheet total of EUR '000' 18.926.403 and a net consolidated profit (attributable to Group's share) for the six-month period then ended of EUR '000' 138.097.

The board of directors is responsible for the preparation and fair presentation of the Interim Condensed Consolidated Financial Statements in accordance with International Financial Reporting Standard IAS 34 *Interim financial reporting* as adopted by the European Union. Our responsibility is to express a conclusion on these Interim Condensed Consolidated Financial Statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" applicable to review engagements. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Condensed Consolidated Financial Statements are not prepared, in all material respects, in accordance with IAS 34 as adopted by the European Union.

Diegem, 13 October 2023

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

Tom Meuleman
Accredited auditor