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Your Partner in Insurance

Consolidated Interim Financial Statements for the first three months of 2012

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All amounts in the tables of these Consolidated Interim Financial Statements are denominated in millions of euros, unless stated otherwise.

AGEAS at a glance Q1 2012

Shareholders' equity
€ 8,304 million

Total Assets
€ 92,710 million

Gross Inflow[1)]
€ 5.7 billion

Net result attributable to shareholders
€ (84) million

FUM
€ 72,037 million

Dividend per share
€ 0.08

Net result Insurance
€ 155 million

Net result General
€ (239) million

Solvency ratio Insurance
207.4%

Combined ratio
101.9%

Employees
12,727

1) *Gross inflow includes the inflow of Ageas's equity associates. Excluding the equity associates, as reported under IFRS, the inflow amounted to EUR 2.8 billion.*

	First three months of 2012	First three months of 2011	2011	Variance between first three months of 2011 and 2012
Income Statement				
Gross Inflow	2,820.7	3,166.0	11,237.1	(10.9%)
Total income	4,042.8	3,124.4	12,004.8	29.4%
Net result attributable to shareholders	(83.8)	(153.6)	(578.2)	(45.4%)
- of which Insurance	154.8	134.5	(313.1)	15.1%
- of which General (incl. Eliminations)	(238.6)	(288.1)	(265.1)	(17.2%)
Statement of financial position				
Total assets	92,709.7	99,186.3	90,602.2	(6.5%)
Funds under management	72,036.7	78,518.7	70,599.6	(8.3%)
Shareholders' equity	8,303.7	7,598.4	7,760.3	9.3%
Non controlling interests	702.8	704.6	607.4	(0.3%)
Total equity	9,006.5	8,303.0	8,367.7	8.5%
Share information (in EUR)				
Basic Earnings per share	(0.04)	(0.06)	(0.23)	41.1%
Return on equity	(6.4%)	3.1%	(7.2%)	*
Other data				
Combined ratio	101.9%	101.5%	101.1%	0.4%
Cost life ratio	0.51%	0.51%	0.51%	(0.2%)
Solvency ratio Insurance	207.4%	201.1%	207.0%	3.1%
Solvency ratio Group	237.1%	253.1%	236.9%	(6.3%)
Employees	12,727	12,000	12,557	6.1%

Report of the Board of Directors of Ageas

Report of the Board of Directors of Ageas

Developments

On 7 February 2012, Ageas and BNP Paribas announced an agreement on the settlement of the RPN(I) and the Tier 1 instrument. The agreement entailed a call of the Tier 1 instrument (issued by Fortis Bank and for 95% held by Ageas) and a (partial) settlement of the RPN(I) liability. The settlement of the RPN/RPN(I) was realised by a cash tender offer on the CASHES by BNP Paribas and a subsequent conversion of the CASHES into Ageas's shares. Ageas agreed to pay BNP Paribas an indemnification related to the CASHES transaction. The agreement was subject to an acceptance rate of at least 50% on a cash tender offer on the CASHES issued by BNP Paribas.

Since the cash tender offer reached an acceptance rate of 63%, both parties have effectively executed the agreement with a total negative result impact for Ageas of EUR 132 million in the first quarter. This amount can be broken down in the following components:

- BNP Paribas called the Tier 1 instrument. As a result Ageas received on 26 March 2012 an amount of EUR 953 million. Since the value received by Ageas exceeded the book value as at that date, a non-recurring capital gain of EUR 129 million has been recorded (including interest of EUR 9 million, amortisation of a discount of EUR 30 million and after tax), the net impact in the first three months amounts to EUR 140 million.
- In addition, Ageas paid BNP Paribas an indemnification for the partial settlement of the RPN/RPN(I) amounting to EUR 287 million at conversion on 26 March 2012. Furthermore, Ageas paid EUR 12 million due to costs related to the transaction, including the best estimate of the fair value of the annual indemnification (based on the assumption that the remaining CASHES will be exchanged within 2 years). As a result, the total indemnification amounted to EUR 299 million.

As the cash tender offer on the CASHES financial instrument reached an acceptance rate of 63%, approximately 37% of the CASHES remained outstanding. Therefore, the RPN(I) liability has been reduced, but remains in the accounts. The agreement with BNP Paribas on the settlement of the CASHES matures in 2014.Ageas reviewed the level 3 valuation of the RPN(I) and decided to include a floor in the valuation of the remaining RPN(I), corresponding to the indemnification agreed. The RPN(I) will be valued at the higher of the net discounted value of the expected interest payments and this floor. The amount of this floor depends on the expected purchase price of the CASHES and the price of the Ageas share at that moment. At 31 March 2012 the RPN(I) is valued at the value of the floor of EUR 163 million, thus resulting in a gain of EUR 27 million (i.e. the difference between the EUR 163 million floor and the RPN(I) value of EUR 190 million at the end of 2011).

Results for the first three months of 2012

The Group net result for the first three months amounted to EUR 84 million negative, with a net loss in the General Account of EUR 239 million. The result of the General Account was impacted by the one-off charge of EUR 132 million of the transaction with BNP Paribas related to RPN(I) and the Tier 1 Instrument and a EUR 191 million drop in value of the call option on the BNP Paribas shares, partly offset by EUR 112 million result from the equity associate in Royal Park Investments.

Total shareholders' equity increased by 8% compared to the end of 2011 and amounted to EUR 8.3 billion or EUR 3.48 per share, driven mainly by higher unrealized gains on the investment portfolio. The Insurance and Group solvency ratios remained stable at respectively 207% and 237%, with available capital EUR 5.1 billion above the minimum capital requirements.

Insurance overall

The net Insurance result year on year improved 15% to EUR 155 million with the Asian segment, up by more than 40%, supported by good underlying growth and recovering financial markets. The Life activities were up by almost 20% with good margins but also overall higher net realized capital gains. The Non-life and Other segments remained in line with last year with a combined ratio slightly up, mainly as a result of the winter related events in the Fire activities in Belgium and to a lesser extent in the UK.

Life, Non-life and Other Insurance

The Life activities contributed EUR 126 million to the net result, compared to EUR 106 million last year (+19%), supported by better financial margins in Belgium and strong results in Asia across all countries, reflecting strong growth in the underlying business. Similar to last year, the net result in Belgium included a charge of EUR 5 million related to the contribution levied by the state on the insurance industry and applicable as of 1 January 2011.
The Non-life operations reported a positive net result of EUR 26 million, up 6% on last year. All segments were profitable. The improved result in the UK, partly driven by capital gains, compensated for a lower result in Belgium, the latter impacted by claims costs in Fire but also less favourable results in Motor. The contribution of the Continental European and Asian Non-life activities remained flat at EUR 8 million. The addition of the Turkish Non-life partnership, contributing positively to the result, partly compensated for a lower result in Asia. The latter benefiting in 2011 from a non-recurring tax benefit of EUR 3 million.

The Group combined ratio increased slightly to 101.9%. In Belgium, the combined ratio deteriorated to 104.1% (vs. 98.6%) mainly as a result of winter related events. Workmen's Compensation operating performance was exceptionally robust in the past quarter. In the UK the combined ratio improved to 102.3% (vs.106.0%), thanks to better combined ratios in Fire and Motor.

Ageas reviewed the calculation methodology of the combined ratios and decided to bring the calculation more in line with market practice for Non-life products with discounted insurance liabilities in Disability and Workmen's Compensation. This change is especially impacting the Belgian segment. As of this year the unwind of the discount has been excluded from the claims ratio. Comparable data has been restated accordingly with a positive impact on the overall combined ratio in the past quarter of 0.9%.

The segment Other Insurance, including the UK retail distribution operations, reported commission and fee income up 8%, coming from the inclusion of Castle Cover, acquired in March 2011. The net profit reduced to EUR 3 million, from EUR 4 million last year, underlining a tough and competitive retail environment linked to general economic conditions.

General Account

The General Account's net result amounted to EUR 239 million negative for the first three months, driven by a total negative impact of the legacy issues of EUR 213 million. This can be broken down by a negative impact of EUR 132 million related to the settlement with BNP Paribas and Fortis Bank on the RPN(I) and Tier 1 Instrument, and a charge of EUR 191 million related to the lower value of the call option on the BNP Paribas shares, partly offset by a positive result of EUR 112 million related to Royal Park Investments.

Following the partial settlement with BNP Paribas of the RPN(I) liability and the Tier 1 Instrument, the remaining RPN(I) liability is recorded at a floor value of EUR 163 million. The value of the call option as per 31 March came down to EUR 204 million, reflecting the decreased volatility from 49% at the end of 2011 to 33% at the end of March 2012.

The net result under IFRS of Royal Park Investments (RPI), including impairment of goodwill, for the first three months amounted to EUR 112 million positive, mainly thanks to higher marked to market revaluations of the investment portfolio. The value of the equity investment, including fair value movements of hedge reserves, increased from EUR 779 million at the end of 2011 to EUR 894 million as at 31 March 2012.

Net interest income amounted to EUR 32 million compared to EUR 2 million negative last year and included the amortisation of the discount and interest received on the Tier 1 Instrument amounting to EUR 39 million. Total staff and other expenses were slightly up on last year at EUR 12 million.

Solvency

Ageas's total available capital amounted to EUR 8.8 billion at the end of March 2012 compared to EUR 8.6 billion at the end of 2011. It exceeded the total consolidated regulatory minimum requirements of the insurance activities by EUR 5.1 billion, including the available capital within the General Account (EUR 1.1 billion). The total available capital of the insurance activities amounted to EUR 7.7 billion, with minimum solvency requirements stable at EUR 3.7 billion. This led to a stable solvency ratio for the global insurance operations of 207%. The solvency ratios by segments remained strong and amounted to 177% for Belgium, 228% for the United Kingdom, 200% for Continental Europe and 285% for Asia respectively.

The net cash position in the General Account per 31 March 2012, assuming full redemption of the European Medium Term Notes (EMTN) programme and including short term deposits entrusted to banks, amounted to EUR 1.3 billion, compared to EUR 0.7 billion at the end of 2011. On 26 March, Ageas received an amount of EUR 953 million from BNP Paribas, following the call and full redemption of the Tier 1 Instrument financial instrument, and in line with the announcement early February 2012. As a result of the approval of the proposed dividend of EUR 0.08 per share at the Shareholders' meetings of 25 and 26 April, an estimated amount of EUR 0.2 billion will be paid end of May and reduce the net cash position in the General Account consequently. This strong solvency and cash position gives additional comfort in the current volatile and uncertain financial markets.

Contingent liabilities

Please refer to Note 29 for the entire section of Contingent liabilities.

Dividend

Ageas's Board proposed for approval by the shareholders a gross cash dividend of 8 eurocent per share for 2011. This proposal was approved by the annual general shareholders' meetings of 25 and 26 April 2012. The dividend will be payable as from 31 May 2012.

Outlook

While giving the required attention to the legacy issues, we remain focused on our operational priorities so that we will continue to strengthen Ageas' position as a solid international insurance company. The operational results of the first quarter show that we are indeed on the right path. We expect inflows levels for 2012 to outperform 2011.

Brussels/Utrecht, 11 May 2012

Board of Directors

Consolidated Interim Financial Statements for the first three months of 2012

Consolidated statement of financial position

(before appropriation of profit)

	Note	31 March 2012	31 December 2011
Assets			
Cash and cash equivalents	*5*	2,490.9	2,701.5
Financial investments	*6*	58,193.6	55,231.4
Investment property	*6*	2,106.8	2,045.7
Loans	*7*	5,073.7	5,683.4
Investments related to unit-linked contracts		13,172.7	12,771.4
Investments in associates		2,096.3	1,959.5
Reinsurance and other receivables	*9*	4,253.3	4,111.1
Current tax assets		124.5	127.1
Deferred tax assets	*18*	203.0	358.8
Call option BNP Paribas shares	*10*	204.0	395.0
Accrued interest and other assets		2,127.8	2,386.2
Property, plant and equipment		1,099.7	1,098.3
Goodwill and other intangible assets		1,563.4	1,594.3
Assets held for sale	*2*		138.5
Total assets		**92,709.7**	**90,602.2**
Liabilities			
Liabilities arising from life insurance contracts	*11*	24,753.6	24,370.4
Liabilities arising from life investment contracts	*12*	27,596.3	27,201.5
Liabilities related to unit-linked contracts	*13*	13,240.7	12,823.8
Liabilities arising from non-life insurance contracts	*14*	6,446.1	6,203.9
Debt certificates	*15*	216.7	256.7
Subordinated liabilities	*16*	2,914.4	2,973.6
Borrowings	*17*	2,120.4	2,277.0
Current tax liabilities		114.5	59.2
Deferred tax liabilities	*18*	856.5	614.6
RPN(I)	*19*	162.7	190.0
Accrued interest and other liabilities		2,213.7	2,094.1
Provisions	*20*	2,404.2	2,403.4
Liability related to written put option on NCI	*21*	663.4	655.8
Liabilities related to assets held for sale	*2*		110.5
Total liabilities		**83,703.2**	**82,234.5**
Shareholders' equity	*3*	8,303.7	7,760.3
Non-controlling interests		702.8	607.4
Total equity		**9,006.5**	**8,367.7**
Total liabilities and equity		**92,709.7**	**90,602.2**

Consolidated income statement

	Note	First three months of 2012		First three months of 2011	
Income					
- *Gross premium income* [1]		*2,643.7*		*2,617.0*	
- *Change in unearned premiums*		*(139.1)*		*(267.1)*	
- *Ceded earned premiums*		*(89.1)*		*(80.2)*	
Net earned premiums	*22*		2,415.5		2,269.7
Interest, dividend and other investment income	*23*		779.4		750.6
Unrealised gain (loss) on Call option BNP Paribas shares			(191.0)		2.0
Unrealised gain (loss) on RPN(I) (incl. settlement on RPN(I)/CASHES)			(270.7)		(257.0)
Result on sales and revaluations	*24*		223.0		60.6
Investment income related to unit-linked contracts			780.7		118.6
Share of result of associates			147.3		16.0
Fee and commission income			103.9		113.6
Other income			54.7		50.3
Total income			**4,042.8**		**3,124.4**
Expenses					
- *Insurance claims and benefits, gross*		*(2,442.8)*		*(2,355.0)*	
- *Insurance claims and benefits, ceded*		*35.2*		*50.1*	
Insurance claims and benefits, net	*25*		(2,407.6)		(2,304.9)
Charges related to unit-linked contracts			(771.7)		(117.2)
Finance costs	*26*		(68.5)		(78.8)
Change in impairments	*27*		(19.6)		(6.2)
Change in provisions	*21*		(0.9)		0.4
Fee and commission expenses			(308.1)		(302.7)
Staff expenses			(195.1)		(180.0)
Other expenses			(200.9)		(192.3)
Total expenses			**(3,972.4)**		**(3,181.7)**
Result before taxation			**70.4**		**(57.3)**
Tax income (expenses)			(106.5)		(51.6)
Net result for the period			**(36.1)**		**(108.9)**
Attributable to non-controlling interests			47.7		44.7
Net result attributable to shareholders			**(83.8)**		**(153.6)**
Per share data (EUR)					
Basic earnings per share	*3*		(0.04)		(0.06)
Diluted earnings per share	*3*		(0.04)		(0.06)

1) Gross inflow (sum of gross written premiums and premium inflow of investment contracts without Discretionary Participation Features) can be calculated as follows.

	Note	First three months of 2012	First three months of 2011
Gross premium income		2,643.7	2,617.0
Inflow deposit accounting (directly recognised as liability)		177.0	549.0
Gross inflow	*22*	**2,820.7**	**3,166.0**

Consolidated statement of comprehensive income

		First three months of 2012		First three months of 2011
Net result for the period		**(36.1)**		**(108.9)**
Other comprehensive income				
Changes in revaluation of investments				
Change in amortisation of investments held to maturity, gross	*6.8*			
Related tax	*(1.7)*			
Change in investments held to maturity, net		5.1		
Change in revaluation of investments available for sale, gross [1]	*1,112.5*		*(1,051.7)*	
Related tax	*(360.8)*		*340.2*	
Change in revaluation of investments available for sale, net		751.7		(711.5)
Share of other comprehensive income of associates, gross	(27.4)		(29.6)	
Related tax				
Share of other comprehensive income of associates, net		(27.4)		(29.6)
Change in revaluation of investments, gross	*1,091.9*		*(1,081.3)*	
Related tax	*(362.5)*		*340.2*	
Change in revaluation of investments, net		729.4		(741.1)
Change in foreign exchange differences, gross	*(28.2)*		*(109.3)*	
Related tax			*0.1*	
Change in foreign exchange differences, net		(28.2)		(109.2)
Other comprehensive income for the period		**701.2**		**(850.3)**
Total comprehensive income for the period		**665.1**		**(959.2)**
Net result attributable to non-controlling interests	*47.7*		*44.7*	
Other comprehensive income attributable to non-controlling interests	*229.6*		*(200.0)*	
Total comprehensive income attributable to non-controlling interests		**277.3**		**(155.3)**
Total comprehensive income attributable to shareholders		**387.8**		**(803.9)**

1) *The Change in revaluation of investments available for sale, gross includes the revaluation of cash flow hedges and is net of currency differences and shadow accounting.*

Consolidated statement of changes in equity

	Share capital	Share premium reserve	Other reserves	Currency translation reserve	Net result attributable to shareholders	Unrealised gains and losses	Share holders' equity	Non-controlling interests	Total equity
Balance at 1 January 2011	**2,203.6**	**14,394.7**	**(8,702.8)**	**81.9**	**223.1**	**221.2**	**8,421.7**	**744.3**	**9,166.0**
Net result for the period					(153.6)		(153.6)	44.7	(108.9)
Revaluation of investments						(542.8)	(542.8)	(198.3)	(741.1)
Foreign exchange differences				(107.5)			(107.5)	(1.7)	(109.2)
Total non-owner changes in equity				*(107.5)*	*(153.6)*	*(542.8)*	*(803.9)*	*(155.3)*	*(959.2)*
Transfer			223.1		(223.1)				
Dividend								(0.6)	(0.6)
Impact written put option on NCI			(22.4)				(22.4)	116.8	94.4
Other changes in equity			3.0				3.0	(0.6)	2.4
Balance at 31 March 2011	**2,203.6**	**14,394.7**	**(8,499.1)**	**(25.6)**	**(153.6)**	**(321.6)**	**7,598.4**	**704.6**	**8,303.0**
Balance at 1 January 2012	**2,203.6**	**2,105.0**	**3,354.3**	**163.4**	**(578.2)**	**512.2**	**7,760.3**	**607.4**	**8,367.7**
Net result for the period					(83.8)		(83.8)	47.7	(36.1)
Revaluation of investments						500.7	500.7	228.7	729.4
Foreign exchange differences				(29.1)			(29.1)	0.9	(28.2)
Total non-owner changes in equity				*(29.1)*	*(83.8)*	*500.7*	*387.8*	*277.3*	*665.1*
Dividend								(1.4)	(1.4)
Treasury shares			(22.3)				(22.3)		(22.3)
Share based compensation		0.5					0.5		0.5
Impact written put option on NCI			172.3				172.3	(179.9)	(7.6)
Other changes in equity			5.1				5.1	(0.6)	4.5
Balance at 31 March 2012	**2,203.6**	**2,105.5**	**3,509.4**	**134.3**	**(662.0)**	**1,012.9**	**8,303.7**	**702.8**	**9,006.5**

Consolidated cash flow statement

	Note	First three months of 2012	First three months of 2011
Result before taxation		**70.4**	**(57.3)**
Adjustments to non-cash items included in result before taxation:			
Call option BNP Paribas shares	*10*	191.0	(2.0)
RPN(I)	*19*	(16.8)	257.0
Result on sales and revaluations		(223.0)	(60.7)
Share of results in associates		(147.3)	(16.0)
Depreciation, amortisation and accretion		191.4	144.9
Impairments	*27*	19.7	6.3
Provisions	*20*	0.9	(0.5)
Share-based compensation expense		0.4	0.6
Changes in operating assets and liabilities:			
Derivatives held for trading (assets and liabilities)	*6*	(37.3)	(29.0)
Loans	*7*	607.0	(1,054.6)
Reinsurance and other receivables	*9*	(136.0)	(314.6)
Investments related to unit-linked contracts		(414.7)	112.8
Borrowings	*17*	(176.7)	(58.8)
Liabilities arising from insurance and investment contracts		1,037.0	695.9
Liabilities related to unit-linked contracts	*13*	431.5	(98.7)
Net changes in all other operational assets and liabilities		107.3	189.4
Dividend received from associates		0.1	
Income tax paid		(12.2)	(7.4)
Cash flow from operating activities		**1,492.7**	**(292.7)**
Purchases of financial investments	*6*	(6,525.9)	(2,569.3)
Proceeds from sales and redemptions of financial investments		5,019.0	2,284.7
Purchases of investment property	*6*	(99.6)	(39.1)
Investments in associates			(23.9)
Purchases of property, plant and equipment	*6*	(18.3)	0.5
Proceeds from sales of property, plant and equipment		0.2	(108.6)
Acquisition of subsidiaries and associates	*2*	(5.9)	2.3
Divestments of subsidiaries and associates (including cash in assets held for sale)	*2*	11.0	(14.8)
Purchases of intangible assets		(1.1)	
Cash flow from investing activities		**(1,620.6)**	**(468.2)**
Redemption of debt certificates	*15*	(41.8)	(62.9)
Proceeds from the issuance of subordinated liabilities	*16*		
Payment of subordinated liabilities		(26.1)	
Proceeds from the issuance of other borrowings	*17*	25.6	2.0
Payment of other borrowings		(3.4)	(9.0)
Purchases of treasury shares	*3*	(22.3)	
Dividends paid to shareholders of the parent companies		(10.5)	
Dividends paid to non-controlling interests		(1.4)	(0.6)
Cash flow from financing activities		**(79.9)**	**(70.5)**
Effect of exchange rate differences on cash and cash equivalents		**(2.8)**	**(16.6)**
Net increase (decrease) of cash and cash equivalents		**(210.6)**	**(848.0)**
Cash and cash equivalents as at 1 January	*5*	**2,701.5**	**3,258.3**
Cash and cash equivalents as at 31 March	*5*	**2,490.9**	**2,410.3**
Supplementary disclosure of operating cash flow information			
Interest received	*23*	1,023.2	847.0
Dividend received from financial investments	*23*	7.0	6.1
Interest paid	*26*	(67.6)	(71.3)

General Notes

1 Summary accounting policies and principles of consolidation

The Consolidated Interim Financial Statements for the first three months 2012 comply with International Financial Reporting Standards (IFRSs) as at 1 January 2012, as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU).

1.1 Basis of accounting

The Ageas Consolidated Interim Financial Statements for the first three months of 2012, including the 2011 comparative figures, have been prepared in accordance with IAS 34 Interim Financial Reporting and include condensed consolidated financial statements (statement of financial position, income statement, statement of changes in equity, cash flow statement), consolidated statement of comprehensive income and selected explanatory notes. Ageas applies International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU'). The Ageas Consolidated Interim Financial Statements for the first three months of 2012 should be read in conjunction with the audited Ageas Consolidated Financial Statements 2011 (including the accounting policies) which are available at: http://ar.ageas.com/.

1.2 Changes in accounting policies

The accounting policies used to prepare the Consolidated Interim Financial Statements for the first three months of 2012 are consistent with those applied in the Ageas Consolidated Financial Statements for the year ended 31 December 2011.

For 2012 the only relevant change compared to 2011 is the endorsed amendment to IFRS 7 Financial Instruments: Disclosures – 'Transfers of Financial Asset'. This amendment was issued 7 October 2010 and is effective for annual periods beginning on/after 1 July 2011.

The amendments prescribe that an entity shall disclose information that enables users of its financial statements:

a) to understand the relationship between transferred financial assets that are not derecognised in their entirety and the associated liabilities; and
b) to evaluate the nature of, and risks associated with, the entity's continuing involvement in derecognised financial assets.

- *Transferred financial assets that are not (fully) derecognised in their entirety.*

Required disclosures include description of the nature of the transferred assets, nature of risk and rewards as well as description of the nature and quantitative disclosure depicting relationship between transferred financial assets and the associated liabilities.

- *Transferred financial assets that are derecognised in their entirety, but with continuing involvement.*

Required disclosures include the carrying amount of the assets and liabilities recognised, fair value of the assets and liabilities that represent continuing involvement, maximum exposure to loss from the continuing involvement as well as maturity analysis of the undiscounted cash flows to repurchase the derecognised financial assets. Additional disclosures are required for any gain or loss recognised at the date of transfer of the assets, income or expenses recognise from the entity's continuing involvement in the derecognised financial assets as well as details of uneven distribution of proceeds from transfer activity throughout the reporting period.

1.3 Accounting estimates

The preparation of the Consolidated Interim Financial Statements in conformity with IFRS, requires the use of certain measurement estimates at the end of the reporting period. In general these estimates and the methods used are consistent since the introduction of IFRS in 2005. Each estimate by nature introduces a significant risk of material adjustments (positive or negative) to the carrying amounts of assets and liabilities within the next financial year.

The key measurement estimates at the reporting date are shown in the next table:

31 March 2012	
Assets	**Estimation uncertainty**
Available for sale securities	
- Corporate debt securities	
- Financial instruments	
- Level 2	- The valuation model - Inactive markets
- Level 3	- The valuation model - Use of not market observable input - Inactive markets
Investment property	Determination of the useful life and residual value
Loans	- The valuation model - The maturity
Associates	A mix of uncertainties depending on the asset mix
Goodwill	- The valuation model - Financial and economic variables - Discount rate
Other intangible assets	- The inherent risk premium of the entity - Determination of the useful life and residual value
Deferred tax assets	- Interpretation of complex tax regulations - Amount and timing of future taxable income
Liabilities	
Liabilities for Insurance contracts	
- Life	- Actuarial assumptions - Interest rate used in liability adequacy test
- Non-life	- Liabilities for (incurred but not reported) claims - Claim adjustment expenses
Pension obligations	- Actuarial assumptions - Discount rate
Provisions	- The likelihood of a present obligation due to events in the past - The calculation of the best estimated amount
Deferred tax liabilities	- Interpretation of complex tax regulations
Written put options on NCI	- Estimated future fair value - Discount rate

1.4 Segment reporting

The format for reporting segment information is based on operating segments. Ageas's reportable operating segments are based on geographical regions. The regional split is based on the fact that the activities in these regions share the same nature and economic characteristics.

Ageas is organised into five operating segments:
- Belgium;
- United Kingdom (UK);
- Continental Europe;
- Asia;
- General Account.

Ageas decided that the most appropriate way of reporting operating segments under IFRS is per region in which Ageas operates, meaning Belgium, United Kingdom, Continental Europe and Asia.

Activities not related to Insurance and elimination differences are reported separately from the Insurance activities in the fifth operating segment: General Account. The General Account comprises activities not related to the core Insurance business, such as group finance and other holding activities. In addition, the General Account also includes the investment in Royal Park Investments, the call option on BNP Paribas shares, the liabilities related to CASHES (RPN(I)), the written put option on NCI, Intreinco N.V. and the claims and litigations related to events in 2008.

Transactions or transfers between the operating segments are entered into under normal commercial terms and conditions that would be available to unrelated third parties.

1.5 Consolidation principles

The Consolidated Interim Financial Statements for the first three months of 2012 include ageas SA/NV and ageas N.V. (the 'Parent Companies') and their subsidiaries. In combining the financial statements of ageas SA/NV and ageas N.V., Ageas applies consortium accounting in order to reflect its activities in the most reliable manner in accordance with the EU 7th Directive, dated 13 June 1983 (83/349/EEC).

Investments in associates – investments whereby Ageas has significant influence, but does not control – are accounted for using the equity method.

2 Acquisitions and disposals

The following significant acquisitions and disposals were made in 2012 and 2011. Details on acquisitions and disposals, if any, which took place after the date of the statement of financial position, are included in the Note Events after the date of the statement of financial position.

2.1 Acquisitions in 2012

On 21 November 2011, Ageas and Sabanci agreed to jointly increase their shares in AKSigorta (see also under 2.3.1), whereby both shares will increase to a maximum of 36%, to further strengthen the partnership between the two groups. As at 31 March, both entities have increased their share in AKSigorta to 35.37%. Ageas spent in 2012 EUR 4.7 million (in total as of the last quarter of 2011 EUR 8.9 million) on the additional acquisition.

2.2 Disposals in 2012

Ageas signed in 2011 an agreement with Augur Capital for the sale of its German Life activities. The transaction was closed in the first quarter of 2012 and resulted in a capital loss for Ageas amounting to EUR 14.5 million. This loss was already accounted for in the General Account at year-end 2011 (included in the line Result on sales and revaluations).

2.3 Acquisitions in 2011

2.3.1 AKSigorta A.Ş.

Ageas closed in July 2011 a deal with Hacı Ömer Sabancı Holding A.Ş. (Sabanci), Turkey's leading industrial and financial conglomerate, to acquire a 31% stake in AKSigorta A.Ş. (AKSigorta), a Non-life company, through the sale by Sabanci of half of its stake in the company. Following the transaction, Sabanci and Ageas have equal shareholdings in AKSigorta. The remaining shares (38%) were continued to be traded on the Istanbul Stock Exchange. As part of this transaction, Ageas paid Sabanci a total consideration of USD 220 million (EUR 154 million) in cash upon completion.

The transaction was closed on 27 July 2011 and consequently AKSigorta is included as an equity associate in the consolidated scope as of this date. In 2012, total inflow was EUR 157 million (Ageas share EUR 55.6 million) and net profit EUR 3.2 million (Ageas share EUR 1.1 million).

2.3.2 Castle Cover Limited

In March 2011, Ageas acquired Castle Cover Limited for a consideration of GBP 52.4 million (EUR 59.9 million). Castle Cover is a UK based intermediary specialising in the over 50's insurance sector. The goodwill amounts to EUR 54.5 million while the intangible assets amount to EUR 8.7 million. Castle Cover is included in the consolidation scope as of the first three months of 2011.

The impact of the acquisition on the Ageas's Consolidated statement of financial position at acquisition date was as follows:

Assets		Liabilities	
Cash & cash equivalents	7	Borrowings	1
Receivables	11	Current and deferred tax liabilities	3
Property, plant and equipment	1	Accrued interest and other liabilities	19
Deferred charges and other assets	1		
Goodwill and intangible assets	63		
		Total liabilities	**23**
		Cost Price	60
Total Assets	**83**	**Total liabilities and cost price**	**83**

Founded in 2006 and located in Poole Dorset, close to Ageas UK's operation centre in Bournemouth, Castle Cover Limited is the third largest specialised over 50 years of age broker, providing home, car and other personal products through its Castle Cover and Regal Insurance brands. The company serves more than 280,000 policyholders and employs around 300 staff in the UK. It is based on a similar business model to RIAS, an Ageas UK subsidiary, which is currently the second largest intermediary in the over 50 years of age sector. Together with RIAS, Ageas will serve 1.3 million customers in this attractive market segment, currently accounting for 38% of the UK population and presenting above average growth rates and relatively high retention rates.

The acquisition of Castle Cover further consolidates Ageas as the fourth largest personal lines intermediary distributor in the UK. Castle Cover generated in the first three months of 2012 a net loss of EUR 0.8 million (2011: EUR (0.2) million), including amortisation of intangible assets of EUR 0.7 million (2011: EUR 1.6 million).

2.3.3 Acquisitions AG Real Estate

AG Real Estate, a part of the Belgium activities dedicated to the real estate and parking business, has concluded some acquisitions in 2011. The largest ones are Westland (acquired for 46% for an amount of EUR 31.5 million) and Regatta (acquired for 50% for an amount of EUR 8.4 million).

2.3.4 Merger of Fortis Lux Vie with Cardif Lux International

Ageas Insurance International and BGL BNP Paribas (BGL BNPP), which each held 50% of the shares in Fortis Luxembourg Vie, agreed in 2011 with BNP Paribas Cardif, parent company of Cardif Lux International, to merge their activities. This agreement allows the newly merged entity to distribute Life and protection insurance products in the Luxembourg market and to high net worth clients outside Luxembourg under the Freedom of Services (FOS) regime. Shareholdings in this entity are divided as follows: Ageas 33.33%, BGL BNP Paribas 33.33% and BNP Paribas Cardif 33.34%.
The newly merged entity will do business under the Cardif Lux Vie brand name.

The merger was accounted for as a sale of Fortis Lux Vie due to the loss of control. At the same time, the merged entity was recognised as an equity associate for EUR 70 million as Ageas holds 33.33 percent in this entity (see also 2.4.1).

2.4 Disposals in 2011

2.4.1 Fortis Luxembourg Vie

Ageas Insurance International and BGL BNP Paribas (BGL BNPP), which each held 50% each of the shares in Fortis Luxembourg Vie, signed in 2011 an agreement with BNP Paribas Cardif, parent company of Cardif Lux International to merge their activities.

The merger was completed at 30 December 2011 and resulted in a capital gain of EUR 29.3 million which was accounted for in the General Account in 2011 (included in the line Result on sales and revaluations).

3 Outstanding shares and earnings per share

The following table shows the number of outstanding shares.

	Shares issued	Treasury shares	Shares outstanding
Number of shares as at 1 January 2011	**2,623,380,817**	**(40,508,465)**	**2,582,872,352**
Balance (acquired)/sold		(176,582,471)	(176,582,471)
Number of shares as at 31 December 2011	**2,623,380,817**	**(217,090,936)**	**2,406,289,881**
Balance (acquired)/sold		(17,004,435)	(17,004,435)
Number of shares as at 31 March 2012	**2,623,380,817**	**(234,095,371)**	**2,389,285,446**

Shares issued and potential number of shares

In addition to the shares already outstanding, Ageas issued options or instruments containing option features which could, upon exercise, lead to an increase in the number of outstanding shares. Shares can also be issued due to the so-called Alternative Coupon Settlement Method (ACSM), included in certain hybrid financial instruments (for details see Note 29 Contingent liabilities). The table below gives an overview of the shares issued and the potential number of shares as at 31 March 2012.

Number of shares as at 31 March 2012	**2,623,380,817**
Shares that may be issued:	
- in connection with option plans	24,547,266
Total potential number of shares as at 31 March 2012	**2,647,928,083**

The Board of Directors of Ageas and the Boards of its direct subsidiaries are authorised to acquire Ageas units representing up to a maximum of 10% of the issued share capital, for a consideration equivalent to the closing price of the Ageas unit on Euronext on the day immediately preceding the acquisition, plus a maximum of 15% or minus a maximum of 15%.

Treasury shares

The total amount of treasury shares (234,095,371) consist mainly of the share buy back programme (192,168,091), the Fresh (39,682,540) and the restricted share programme (1,615,000).

Ageas announced in August 2011, based on the shareholders' authorisation, to initiate a share buy-back programme of its outstanding common stock for a maximum amount of up to EUR 250 million. The buy-back programme was launched as of 24 August 2011 for a period ending 23 February 2012. This programme is implemented in accordance with industry best practices and in compliance with the applicable buyback rules and regulations. To this end, Ageas mandated an independent broker to execute the programme through open market purchases on its behalf on NYSE Euronext. Ageas completed the buy back on 25 January 2012, a total of 192,168,091 shares were purchased for EUR 250 million, representing 7.3% of the shares outstanding. The General meetings of Shareholders of April 2012 approved the cancellation of the shares bought back.

The number of shares issued includes shares that were issued related to the convertible instrument FRESH (39,682,540). The FRESH is a financial instrument that was issued in 2002 by Ageasfinlux. One of the features of this instrument is that it can only be redeemed through conversion of the instrument into 39,682,540 Ageas shares. Ageasfinlux has acquired all necessary Ageas shares to redeem the FRESH (consequently they are included in the number of shares outstanding of Ageas). However, Ageasfinlux and Ageas have agreed that these shares will not receive dividend nor will they have voting rights as long as these shares are pledged for the FRESH. As Ageasfinlux is a subsidiary of Ageas, the shares related to the FRESH are treated as treasury shares and eliminated against shareholders' equity (see also Note 16 Subordinated liabilities).

In 2011, Ageas created a restricted share programme for its senior management. Dependent on the relative performance of the Ageas share in relation to a peer group over the next three years and some additional conditions, the senior managers will be awarded, in total, between zero and 1.6 million existing Ageas shares for free on 1 April 2014. Ageas decided to hedge this commitment by purchasing the maximum number of shares (1,615,000) to be awarded in 2011.

CASHES and Settlement with Fortis Bank SA/NV and BNP Paribas

Fortis Bank issued a financial instrument called CASHES in 2007. One of the features of this instrument is that it can only be redeemed through conversion of the instrument into 125,313,283 Ageas shares.

Fortis Bank acquired all necessary Ageas shares to redeem the CASHES (consequently they are included in the number of shares outstanding of Ageas).

On 7 February 2012, Ageas and BNP Paribas reached an agreement on a partial settlement of the RPN(I) (see Note 19) and the full call of the Tier 1 instrument, issued by Fortis Bank SA/NV and for 95% held by Ageas (see Note 7). The settlement and call were both subject to the successful cash tender by BNP Paribas on the CASHES financial instrument. On 6 February 2012, BNP Paribas converted 7,553 of the tendered securities out of 12,000 CASHES securities outstanding (62.94%) into 78,874,241 Ageas shares. BNP Paribas committed not to sell these shares for a period of six months. The total number of outstanding Ageas shares remains unchanged. However, the number of shares entitled to dividend and voting rights increased by 3.5%.

Earnings per share

The following table details the calculation of earnings per share.

	First three months of 2012	First three months of 2011
Net result attributable to shareholders	(83.8)	(153.6)
Amortisation of costs of restricted shares	0.2	
Net result used to determine diluted earnings per share	**(83.6)**	**(153.6)**
Weighted average number of ordinary shares for basic earnings per share	2,391,649,068	2,582,872,352
Adjustments for:		
- restricted shares	1,572,500	109,605
Weighted average number of ordinary shares for diluted earnings per share	**2,393,221,568**	**2,582,981,957**
Basic earnings per share (in euro per share)	(0.04)	(0.06)
Diluted earnings per share (in euro per share)	(0.04)	(0.06)

In the first three months of 2012 weighted average options on 25,695,544 shares (first three months of 2011: 26,491,907) with a weighted average exercise prices of EUR 19.89 per share (first three months of 2011: EUR 20.06) were excluded from the calculation of diluted EPS because the exercise price of the options was higher than the average market price of the shares.

During 2012 and 2011, 39,682,540 Ageas shares arising from the FRESH, were excluded from the calculation of diluted earnings per share because the interest per share saved on these securities was higher than the basic earnings per share.

Ageas shares totalling 46,439,042 (first three months of 2011: 125,313,283) issued in relation to CASHES are included in the ordinary shares although they do not bear dividend nor voting rights until the moment of conversion of the CASHES (see also before).

4 Supervision and solvency

The National Bank of Belgium, the lead supervisor for Ageas, has designated Ageas as Insurance Group. As such, Ageas is subject to supervision and reporting requirements at the consolidated level. The operating companies are subject to local supervision.

4.1 Ageas consolidated supervision

At the Ageas consolidated level, the National Bank of Belgium (NBB) supervises Ageas. The regulators in the countries in which the subsidiaries are located supervise the subsidiaries of Ageas in those countries, using their own solvency measures and based on local accounting principles.

Based on the rules and regulations for Insurance Groups applicable in Belgium, Ageas reports on a quarterly basis to the NBB its available regulatory capital and required solvency. This prudential supervision includes quarterly verification that Ageas, on a consolidated basis, meets the solvency requirements. In June 2011, the NBB requested to adjust the calculation and limit the amount of subordinated funding and Hybrid capital to 50% of the minimum solvency requirements. As of 2012, the calculation of the Regulatory capital has been updated and the net impact of the combined unrealised gains and losses on Bonds, Equities and Real Estate cannot longer result in a deduction from Regulatory capital. There is no impact of this change on the in 2012 and year end 2011 Regulatory capital since the unrealised gains and losses are on balance positive.

The reconciliation of the Shareholders' capital to the available regulatory capital and resulting solvency ratios is as follows:

	31 March 2012	31 December 2011
Share capital and reserves	7,952.8	7,826.3
Net result attributable to shareholders	(662.0)	(578.2)
Unrealised gains and losses	1,012.9	512.2
Shareholders' equity	8,303.7	7,760.3
Non-controlling interests	702.8	607.4
Total equity	9,006.5	8,367.7
Subordinated liabilities	2,914.4	2,973.6
Prudential filters		
Local required equalisation reserves for catastrophes	(152.8)	(135.5)
Pension adjustment	(27.5)	(22.9)
Revaluation of investment property, net of tax (at 90%)	724.5	715.2
Adjustment valuation of available for sale investments	(946.5)	(252.5)
Cash flow hedge	21.7	20.3
Goodwill	(920.6)	(923.4)
Other intangible assets	(372.5)	(382.1)
Expected dividend	(187.4)	(187.4)
Expected dividend, related to Call option BNP Paribas shares	(204.0)	(395.0)
Limitation subordinated debt to 50% of required solvency	(1,059.6)	(1,153.5)
Regulatory capital	**8,796.3**	**8,624.6**
Solvency ratio's		
Solvency requirements	3,709.7	3,640.3
Solvency excess	5,086.6	4,984.3
Solvency ratio	237.1%	236.9%

4.2 Ageas capital management

Ageas considers a strong capital base in the individual insurance operations a necessity, on one hand as a competitive advantage and on the other as being necessary to fund the planned growth.

In 2011, Ageas decided to bring its own view on regulatory capital for the insurance business in line with the rules of the NBB for insurance groups resulting in a minor adjustment.

The General Account comprises the group functions, financing transactions, the internal reinsurance vehicle (in run off) as well as the so-called legacy related issues. For the General Account the notion of discretionary capital has been replaced by Net Cash. Since the Net Cash notion is a commonly understood notion, Ageas decided to use Net Cash as the indicator for the freely available capital at Group level.

Ageas targets a minimum aggregate solvency ratio of 200% of the minimum regulatory requirements at the Total Insurance level. Ageas will review the minimum targets at the latest at the time of the introduction of Solvency II.

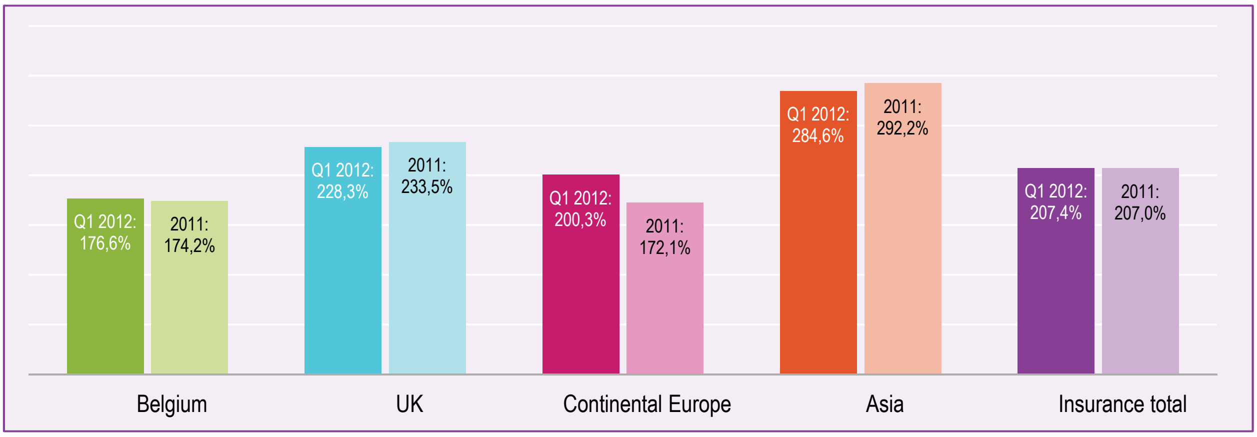
Capital position Insurance

At 31 March 2012, the total capital of the insurance operations stood at EUR 7.7 billion (31 December 2011: EUR 7.5 billion), 207.4% of the required minimum (31 December 2011: 207.0%).

31 March 2012	Belgium	UK	Continental Europe	Asia	Consolidation Adjustments	Insurance total	General (incl. elim)	Total Ageas
Total available capital	4,060.7	862.7	1,144.8	1,301.4	315.9	7,685.5	1,110.8	8,796.3
Minimum solvency requirements	2,299.9	377.8	571.6	457.2		3,706.5	3.2	3,709.7
Amount of total capital above minimum	1,760.8	484.9	573.2	844.2	315.9	3,979.0	1,107.6	5,086.6
Total solvency ratio	176.6%	228.3%	200.3%	284.6%		207.4%		237.1%

31 December 2011								
Total available capital	3,940.3	857.9	973.3	1,291.0	467.1	7,529.6	1,095.0	8,624.6
Minimum solvency requirements	2,262.5	367.4	565.4	441.8		3,637.1	3.2	3,640.3
Amount of total capital above minimum	1,677.8	490.5	407.9	849.2	467.1	3,892.5	1,091.8	4,984.3
Total solvency ratio	174.2%	233.5%	172.1%	292.2%		207.0%		236.9%

The solvency position per Insurance segment and for Insurance total can graphically be shown as follows:



Net cash position General Account

Based on the rules and regulations of the NBB the available regulatory capital of the General Account (including eliminations) amounted to EUR 1.1 billion (31 December 2011: EUR 1.1 billion). Since most of the capital is not readily available, Ageas uses a net cash position to measure its General Account capital immediately available and as an indication for the strategic flexibility.

The net cash position stood per 31 March 2012 at EUR 1.3 billion. The net cash position was positively impacted in the first three months by EUR 666 million because of the settlement arrangement with BNP Paribas.

This impact consisted of:

- Ageas received EUR 953 million for the redemption of the Tier 1 instrument (see Note 7).
- Ageas paid an indemnity of EUR 299 million (see Note 19).

	31 March 2012	31 December 2011
Cash and cash equivalents	768.8	344.7
Due from banks short term	760.0	600.0
Debt certificates	(216.7)	(256.7)
Net cash position	**1,312.1**	**688.0**

Notes to the Consolidated statement of financial position

5 Cash and cash equivalents

Cash includes cash on hand, current accounts and other financial instruments with a term of less than three months from the date on which they were acquired.

The composition of cash and cash equivalents as at 31 March is as follows:

	31 March 2012	31 December 2011
Cash on hand	2.1	2.1
Due from banks	2,237.5	2,426.9
Other	251.3	272.5
Total cash and cash equivalents	**2,490.9**	**2,701.5**

The decrease in the line Due from banks is mainly due to the financing of financial investments at Insurance Belgium in the first three months of 2012, with an effect of EUR 760 million, offset by the cash received following the deal with BNP Paribas to call the Tier 1 instrument and settle the RPN(I)/Cashes (effect of EUR 666 million).

6 Financial investments

The composition of Financial investments is as follows:

	31 March 2012	31 December 2011
Financial investments		
- Held to maturity	5,038.3	5,032.4
- Available for sale	53,056.7	51,399.3
- Held at fair value through profit or loss	212.6	194.1
- Derivatives held for trading	66.9	42.4
Total, gross	**58,374.5**	**56,668.2**
Impairments:		
- of investments available for sale	(180.9)	(1,436.8)
Total impairments	**(180.9)**	**(1,436.8)**
Total	**58,193.6**	**55,231.4**

In 2011, Ageas reclassified in accordance with IFRS investments amounting to EUR 4.9 billion from Available for sale to Held to maturity. The reclassification took place against the fair value of the investments at the time of the reclassification. The difference between the fair value and the amortised cost, which amounted to EUR 210 million, remains included in Unrealised gains and losses in Shareholders' equity and will be amortised over the remaining maturity of the investments. The amortisation is offset in the income statement against the amortisation of the difference between the book value and the nominal value of the bonds leading to a very limited impact in the income statement.

6.1 Investments held to maturity

	Government bonds	Corporate debt securities	Total
Historical cost at recognition	4,729.4	163.9	4,893.3
Acquisition	125.7		125.7
Historical / amortised costs	**4,855.1**	**163.9**	**5,019.0**
Amortisation	12.0	1.4	13.4
Investments held to maturity at 31 December 2011	**4,867.1**	**165.3**	**5,032.4**
Amortisation	4.8	1.1	5.9
Investments held to maturity at 31 March 2012	**4,871.9**	**166.4**	**5,038.3**
Fair value at 31 March 2012	**5,252.4**	**158.8**	**5,411.2**

In the following table the government bonds that are classified as Held to maturity are detailed by country of origin as at 31 March.

31 March 2012	Historical/ amortised cost	Fair value
Belgian national government	4,372.8	4,806.8
Portuguese national government	499.1	445.6
Total	**4,871.9**	**5,252.4**
31 December 2011		
Belgian national government	4,373.5	4,553.4
Portuguese national government	493.6	403.6
Total	**4,867.1**	**4,957.0**

6.2 Investments available for sale

The fair value and amortised cost of Investments available for sale including gross unrealised gains, gross unrealised losses, and impairments are as follows:

31 March 2012	Historical/ amortised cost	Gross unrealised gains	Gross unrealised losses	Total gross	Impairments	Fair value
Government bonds	27,978.1	1,349.7	(388.9)	28,938.9		28,938.9
Corporate debt securities	20,606.4	1,176.2	(236.2)	21,546.4		21,546.4
Structured credit instruments	352.9	13.9	(11.3)	355.5	(0.1)	355.4
Available for sale investments in debt securities	48,937.4	2,539.8	(636.4)	50,840.8	(0.1)	50,840.7
Private equities and venture capital	17.6	0.3		17.9		17.9
Equity securities	2,103.7	138.0	(47.9)	2,193.8	(180.8)	2,013.0
Other investments	4.2			4.2		4.2
Available for sale investments in equity securities and other investments	2,125.5	138.3	(47.9)	2,215.9	(180.8)	2,035.1
Total investments available for sale	**51,062.9**	**2,678.1**	**(684.3)**	**53,056.7**	**(180.9)**	**52,875.8**

31 December 2011	Historical/ amortised cost	Gross unrealised gains	Gross unrealised losses	Total gross	Impairments	Fair value
Government bonds	27,693.5	1,027.0	(868.3)	27,852.2	(1,209.1)	26,643.1
Corporate debt securities	20,705.7	917.1	(485.0)	21,137.8	(6.4)	21,131.4
Structured credit instruments	384.3	13.4	(13.1)	384.6	(0.1)	384.5
Available for sale investments in debt securities	48,783.5	1,957.5	(1,366.4)	49,374.6	(1,215.6)	48,159.0
Private equities and venture capital	14.6		(0.4)	14.2		14.2
Equity securities	2,010.9	97.6	(100.2)	2,008.3	(221.2)	1,787.1
Other investments	2.2			2.2		2.2
Available for sale investments in equity securities and other investments	2,027.7	97.6	(100.6)	2,024.7	(221.2)	1,803.5
Total investments available for sale	**50,811.2**	**2,055.1**	**(1,467.0)**	**51,399.3**	**(1,436.8)**	**49,962.5**

Government bonds detailed by country of origin

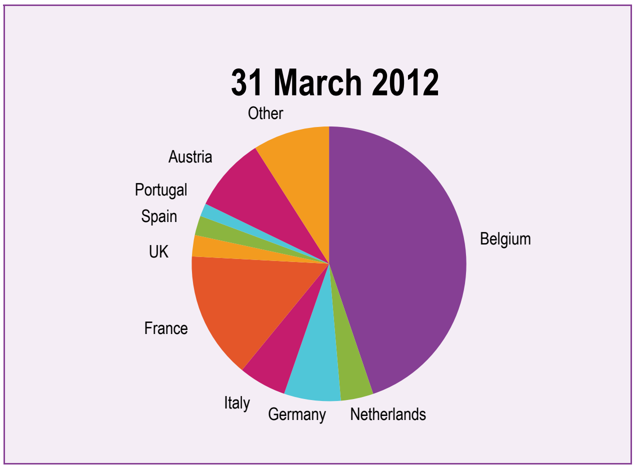
Government bonds detailed by country of origin as at 31 March are as follows:

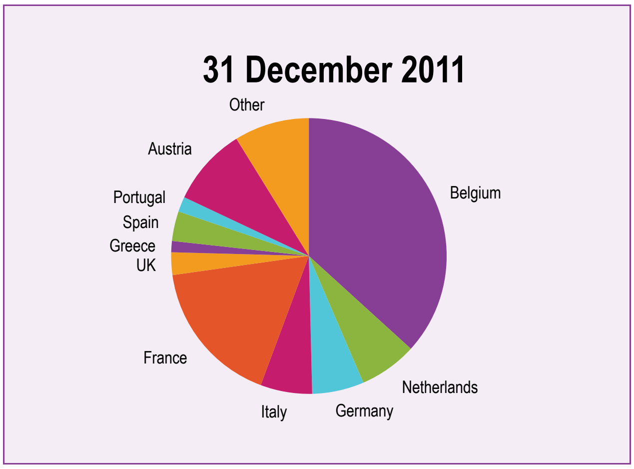
31 March 2012	Historical/ amortised cost	Gross unrealised gains (losses)	Impairments	Fair value
Belgian national government	12,449.6	513.5		12,963.1
Dutch national government	1,063.0	47.1		1,110.1
German national government	1,716.0	214.0		1,930.0
Italian national government	1,759.7	(129.6)		1,630.1
French national government	4,072.6	247.0		4,319.6
Great Britain national government	694.0	32.3		726.3
Greek national government	26.1	(5.9)		20.2
Spanish national government	731.8	(62.4)		669.4
Portuguese national government	595.8	(155.3)		440.5
Austrian national government	2,379.2	158.9		2,538.1
Finnish national government	262.2	24.4		286.6
Irish national government	414.0	(22.3)		391.7
Slovenian national government	158.6	(1.8)		156.8
Czech Republic national government	244.2	15.6		259.8
Slovakian national government	223.2	13.4		236.6
United States of America national government	300.6	58.9		359.5
Other national governments	887.5	13.0		900.5
Total	**27,978.1**	**960.8**		**28,938.9**

31 December 2011				
Belgian national government	9,680.4	111.4		9,791.8
Dutch national government	1,692.1	116.5		1,808.6
German national government	1,402.8	216.3		1,619.1
Italian national government	1,989.9	(369.8)		1,620.1
French national government	4,365.7	186.6		4,552.3
Great Britain national government	660.9	43.6		704.5
Greek national government	1,562.9		(1,209.1)	353.8
Spanish national government	1,015.7	(90.2)		925.5
Portuguese national government	681.0	(208.3)		472.7
Austrian national government	2,308.1	136.7		2,444.8
Finnish national government	282.9	24.7		307.6
Irish national government	443.1	(62.0)		381.1
Slovenian national government	229.4	(18.7)		210.7
Czech Republic national government	244.2	5.0		249.2
Slovakian national government	223.0	(2.5)		220.5
United States of America national government	302.7	85.0		387.7
Other national governments	608.7	(15.6)		593.1
Total	**27,693.5**	**158.7**	**(1,209.1)**	**26,643.1**

Ageas impaired it's exposure on Greek Government bonds in 2011 as a result of the economic crisis in Greece. In the course of the first three months of 2012 Ageas converted its Greek bond portfolio into new Greek bonds with a face value of 31.5% in accordance with the offer of the Greek government. After this conversion, almost the entire Greek bond position was sold.

The share per country in the investment portfolio of government bonds based on fair value can graphically be shown as follows:





The table below provides the Net unrealised gains and losses on Investments available for sale included in equity (which includes debt securities, equity securities and other investments). Equity securities and other investments also includes private equities and venture capital.

	31 March 2012	31 December 2011
Available for sale investments in debt securities:		
Carrying amount	50,840.7	48,159.0
Gross unrealised gains and losses	1,903.4	591.1
- Related tax	(631.0)	(209.0)
Shadow accounting	(319.5)	(49.7)
- Related tax	111.8	46.1
Net unrealised gains and losses	**1,064.7**	**378.5**

	31 March 2012	31 December 2011
Available for sale investments in equity securities and other investments:		
Carrying amount	2,035.1	1,803.5
Gross unrealised gains and losses	90.4	(3.0)
- Related tax	(18.0)	(5.6)
Shadow accounting	(34.0)	(8.0)
- Related tax	12.0	4.2
Net unrealised gains and losses	**50.4**	**(12.4)**

The tax related to gross unrealised gains and losses on Investments available for sale is impacted by the fact that the tax on unrealised gains of Ageas's subsidiary in France can be offset with tax losses from the past. This impact is significantly visible in tax related to shadow accounting at 31 December 2011.

Impairments of Investments available for sale

The following table shows the breakdown of impairments of Investments available for sale.

	31 March 2012	31 December 2011
Impairments of investments available for sale:		
- on debt securities	(0.1)	(1,215.6)
- on equity securities and other investments	(180.8)	(221.2)
Total impairments of investments available for sale	**(180.9)**	**(1,436.8)**

The changes in impairments of Investments available for sale are as follows:

	31 March 2012	31 December 2011
Balance as at 1 January	**1,436.8**	**167.6**
Acquisitions/divestments of subsidiaries		(17.5)
Increase in impairments	16.9	1,527.1
Reversal on sale/disposal	(1,272.6)	(221.5)
Foreign exchange differences and other adjustments	(0.2)	(18.9)
Closing balance	**180.9**	**1,436.8**

The reversal on sale/disposal amounting to EUR 1,272.6 million relates to the conversion of the Greek bond portfolio in the first three months of 2012.

6.3 Investments held at fair value through profit or loss

The following table provides information as at 31 March about the Investments held at fair value, for which unrealised gains or losses are recorded through profit or loss.

	31 March 2012	31 December 2011
Government bonds	1.1	
Corporate debt securities	101.3	95.3
Structured credit instruments	94.6	85.7
Debt securities	197.0	181.0
Equity securities	15.6	13.1
Equity securities and other investments	15.6	13.1
Total investments held at fair value through profit or loss	**212.6**	**194.1**

Investments held at fair value through profit or loss include primarily investments related to insurance liabilities where cash flows are contractually or on the basis of discretionary participation features linked to the performance of these assets and whose measurement incorporates current information. This measurement significantly reduces an accounting mismatch that would otherwise arise from measuring assets and liabilities and the related gains and losses on different bases.

6.4 Derivatives held for trading (assets)

The following table provides a specification of the derivatives held for trading (assets).

	31 March 2012	31 December 2011
Over the counter (OTC)	66.9	42.4
Total derivatives held for trading (assets)	**66.9**	**42.4**

The Derivatives held for trading mainly relate to interest rate and equity options and interest rate swaps.

6.5 Real estate

The fair value of Real estate, held as investment as well as for own use, is set out below.

Fair value:	31 March 2012	31 December 2011
Investment property	2,899.4	2,799.1
Land and buildings held for own use	1,452.9	1,472.4
Total fair value	**4,352.3**	**4,271.5**
Carrying amount:		
Investment property	2,106.8	2,045.7
Land and buildings held for own use	1,003.9	1,000.7
Total carrying amount	**3,110.7**	**3,046.4**
Gross unrealised gain / loss	1,241.6	1,225.1
Taxation	(407.9)	(402.4)
Net unrealised gain / loss (not recognised in equity)	**833.7**	**822.7**

7 Loans

The composition of Loans is as follows:

	31 March 2012	31 December 2011
Loans to banks	2,144.1	2,934.5
Loans to customers	2,944.4	2,762.9
Total	**5,088.5**	**5,697.4**
Less impairments:		
- specific credit risk	(14.2)	(13.3)
- incurred but not reported (IBNR)	(0.6)	(0.7)
Total loans	**5,073.7**	**5,683.4**

7.1 Loans to banks

Loans to banks consists of the following:

	31 March 2012	31 December 2011
Interest-bearing deposits	974.3	974.3
Subordinated loans	943.1	1,753.9
Reverse repurchase agreements	66.6	66.6
Other	160.1	139.7
Total	**2,144.1**	**2,934.5**
Less impairments:		
- specific credit risk	(1.1)	(1.2)
Loans to banks	**2,143.0**	**2,933.3**

The subordinated loans can be split in:

	31 March 2012	31 December 2011
Nitsh I (USD 750 million)	570.1	588.8
Nitsh II	373.0	371.0
Fortis Bank Tier 1		794.1
Total subordinated loans	**943.1**	**1,753.9**

Nitsh I and II

Nitsh I and II are subordinated loans (see also Note 16 on Subordinated Liabilities) that are (in part) on-lent to Fortis Bank. The Fortis Bank Tier 1 loan consist of bonds issued in 2001, which Ageas was obliged to exchange in the third quarter of 2011 due to a support agreement entered into by the former Fortis parent companies, now ageas SA/NV and ageas N.V.

Settlement subordinated loan Fortis Bank SA/NV (Tier 1 instrument)

On 26 September 2011, Ageas was obliged to exchange EUR 952.9 million redeemable perpetual cumulative coupon debt securities of Fortis Bank at par, after a non-call of these securities by Fortis Bank and consent granted by the NBB for this exchange.

Ageas decided to determine the fair value of the securities by using valuation techniques based on a net present value calculation. With EUR 952.9 million par value of securities exchanged, the fair value of these securities was set at EUR 762.3 million.

The difference between the acquisition price and the amount of first recognition was recorded as a loss in the income statement in the line 'Result on sales and revaluations' in 2011. This difference is reversed until the settlement (see below) in the income statement over the applicable quarters, via the effective interest method. In 2012 an amount of EUR 30.4 million has been reversed according to this method (2011: EUR 31.8 million).

Settlement with Fortis Bank SA/NV and BNP Paribas

On 7 February 2012, Ageas and BNP Paribas reached an agreement on a partial settlement of the RPN(I) (see Note 19) and the full call of the Tier 1 instrument, issued by Fortis Bank SA/NV and for 95% held by Ageas. Fortis Bank SA/NV called the Tier 1 for an amount of EUR 952.9 million in the first three months of 2012. The call resulted in a capital gain of EUR 128.5 million (see Note 24).

7.2 Loans to customers

The composition of Loans to customers is as follows:

	31 March 2012	31 December 2011
Government and official institutions	0.4	0.3
Residential mortgage	1,570.2	1,588.1
Consumer loans	7.5	7.9
Commercial loans	104.0	97.3
Policyholder loans	174.1	173.5
Other loans	1,088.2	895.8
Total	**2,944.4**	**2,762.9**
Less impairments:		
- specific credit risk	(13.0)	(12.1)
- incurred but not reported (IBNR)	(0.7)	(0.7)
Loans to customers	**2,930.7**	**2,750.1**

Other loans consists mainly of loans to regional authorities and Governmental organisations.

8 Investments in associates

As a result of the transactions closed on 12 May 2009, Ageas acquired, for the total sum of EUR 760.0 million, a 44.7% stake in Royal Park Investments (RPI), a special purpose vehicle that acquired part of the structured credit portfolio of Fortis Bank. This stake has been accounted for using the equity method.

RPI acquired from Fortis Bank on the closing date a portfolio of structured credits for an agreed purchase price of EUR 11.7 billion. The corresponding face value of the portfolio amounted to EUR 20.5 billion at 12 May 2009. This purchase was funded by EUR 1.7 billion equity, EUR 5 billion super senior debt and EUR 5 billion senior debt; the senior debt includes a loss absorption mechanism. The senior debt was provided by BNP Paribas and by Fortis Bank. The funding provided by Fortis Bank is guaranteed by the Belgian government. Any cash generated by RPI will first be used to repay the super senior debt.

The initial recognition of the investment under the equity accounting method is at cost, followed by an impairment test of the carrying amount. Ageas requested RPI to draw up financial information based on Ageas IFRS accounting policies. RPI recorded the acquisition of the portfolio, related funding and people and processes as a business combination under IFRS. At acquisition the asset portfolio was recorded at market value (EUR 8.2 billion) and the difference between the purchase price (EUR 11.7 billion) and the market value amounting to EUR 3.5 billion was recorded in the IFRS statement of financial position of RPI as a deferred tax asset (EUR 1.2 billion: 33.9% of 3.5 billion) and goodwill of EUR 2.3 billion.

RPI manages the portfolio to maximise the value for its shareholders as defined in the management guidelines drawn up by the RPI Board. In the current circumstances, this implies a run off scenario. In such case IFRS requires amortised cost as subsequent measurement of the asset portfolio. IFRS requires for variable rate instruments, an instrument by instrument re-computation of the amortised cost based on actualised cash flow information per asset. However, RPI does not have such information available and to produce this information would require undue cost and efforts. In the absence of such information and taking into consideration that management is also using fair value information in the context of periodically monitoring the asset portfolio, Ageas decided to use for subsequent measurement of the asset portfolio the fair value through profit or loss.

To determine the cash flows of the portfolio and related funding several assumptions were made such as loss given default, probability of default, pre-payment speed, housing price evolutions, additional sector and geographical data when needed. Given the fact that the uncertainties were taken into consideration when determining the cash flows, and the fact that the funding of RPI is guaranteed, the expected cash flows have been discounted at 7.8% (31 December 2011: 7.8%) being the risk free interest rate for Belgium plus the normal equity premium.

Since RPI is in fact a portfolio in run-off, the profits included in the portfolio and related funding will be realised over time and will not be replaced by profits from new transactions, the goodwill will need to be impaired in the period the portfolio runs off. The goodwill recognised by RPI represents for a significant part the future profits of this business.

The first three months result of RPI at 100%, and before an impairment test of the goodwill, amounted to EUR 306 million net profit (31 March 2011: EUR 493 million). Lower market to market revaluations of the investment portfolio, compared to the first three months period in 2011, and lower interest income due to higher funding costs related to the difficult US dollar CP market drive the difference. At the end of each quarter RPI performs an impairment test on the goodwill recognised under IFRS. Since all proceeds received are used to redeem the funding, and no new business has been generated, the goodwill needs to be impaired over the expected maturity of the portfolio. Based on the review in the first quarter of the expected business developments, a value in use of the total business was calculated resulting in an impairment on Goodwill of EUR 55 million. RPI's net profit under IFRS, including impairment of goodwill, at 100%, as a result amounted to EUR 251 million positive or Ageas's share of EUR 112 million positive.

In addition, RPI concluded a number of interest rate swaps, exchanging variable interest streams into fixed interest streams. Ageas decided to apply cash flow hedge accounting on these swaps. In 2011 and 2012 some swaps were sold and a gain was realised. All unrealised fair value movements on the remaining swaps flow through equity. Since hedge accounting is applied this gain is not recorded in the income statement but in Shareholder's equity and will be amortised over the coming years in the income statement. As at 31 march 2012 the hedge reserve including the realised gains amounted to EUR 197 million after tax. As a result of both elements, Ageas's equity investment in RPI increased from EUR 779 million end 2011 to EUR 894 million.

At 31 March, the fair value of the investment portfolio under IFRS amounts to EUR 6.0 billion (31 December 2011: EUR 6.0 billion), the goodwill to EUR 0.7 billion (31 December 2011: EUR 0.8 billion) and the deferred tax asset to EUR 0.6 billion (31 December 2011: EUR 0.7 billion). The funding measured at amortised cost, amounted to EUR 5.5 billion (31 December 2011: EUR 6.0 billion) and the equity amounted to EUR 2.0 billion (31 December 2011: EUR 1.7 billion).

9 Reinsurance and other receivables

Included under Reinsurance and other receivables are the claims on Fortis Capital Company Limited, ABN AMRO and the Dutch State related to the FCC transaction and the MCS conversion. The first claim is for full compensation for the payment (EUR 362.5 million) made by Ageas to Fortis Capital Company Limited (a subsidiary of ABN AMRO N.V.) to allow it to pay the above amount to the holders of preference shares. In 2009, this claim was impaired based on the fact that ABN AMRO contested the claim. Based on the negotiations with the Dutch State, Ageas decided in 2010 to reverse the impairment and include this claim in the assessment of the provision for disputes with the Dutch State (see also Note 20 Provisions).

The second claim relates to the MCS conversion. On December 7, 2010, Ageas issued 106.7 million shares in relation to the conversion of the MCS. Since ABN AMRO was the beneficiary of the proceeds of the MCS issue and the existence of the four party agreement granted Ageas a claim on ABN AMRO at the moment of conversion, Ageas recorded a receivable for an amount of EUR 2 billion with ABN AMRO as debtor at the moment of conversion. The Dutch State has made a statement that based on the terms and conditions on the sale of Fortis Bank Nederland, Fortis Verzekeringen Nederland and Fortis Corporate Insurance, they are entitled to this claim. Ageas has taken this into account in 2010 for the set up of a provision for disputes with the Dutch State (see also Note 20 Provisions).

10 Call option BNP Paribas shares

Under the agreement signed on 12 May 2009, Ageas was granted a cash-settled call option by the Federal Holding and Investment Corporation (Société Fédérale de Participations et d'Investissement/Federale Participatie- en Investeringsmaatschappij – SFPI/FPIM) that allows Ageas to benefit from any appreciation in the value of 121,218,054 BNP Paribas shares held by the SFPI/FPIM. These shares were acquired by the SFPI/FPIM in return for selling 75% + 1 share of Fortis Bank. This option entitles Ageas to the difference between the strike price of EUR 68 and the market price of the BNP Paribas shares at the time of exercise, or the selling price of the underlying BNP Paribas shares, at the discretion of SFPI/FPIM. These rights have replaced the ‘coupon 42’. After the Rights Issue of BNP Paribas on 29 September 2009, the exercise price was reduced to EUR 66.672.

The granted rights include some non-standard features that differ from standard ISDA based option protocols, such as restrictions on transferability, limitations on freedom of exercise, forced exercise under specific circumstances and specific adjustment mechanics such as dilution and claim issues.

Ageas can exercise the options up to 10 October 2016. Ageas decided to move to a gradual exercise strategy in accordance with a disciplined methodology, once the options are in the money, but continuously also monitors the ability to monetise the options.

The options are recorded at fair value, with subsequent revaluations recorded in the income statement under unrealised gain (loss) on Call option BNP Paribas shares.

Value calculation

The theoretical value of an individual option can be calculated based on Black-Scholes option valuation techniques. Besides market observable data on the reporting date, such as interest yield, actual and strike price of the share and the remaining duration of the option, the calculation needs to include assumptions regarding future dividend and volatility. Non-standard features should also be taken into account.

The following data were used for the valuation:

	31 March 2012	31 December 2011
BNP Paribas share price	EUR 35.58	EUR 30.35
Strike price	EUR 66.672	EUR 66.672
Volatility	33%	49%
Dividend yield	5.24%	5.98%
Price per option up to 10 October 2016	EUR 2.410	EUR 4.660
Theoretical value of 121.2 million options	EUR 292 million	EUR 565 million
Estimated value, after adjustment for non standard features (30%)	**EUR 204 million**	**EUR 395 million**

Volatility

Given the very large number of options on BNP Paribas shares carried by Ageas, representing 10.12% of the BNP Paribas outstanding shares, the monetisation of the options is expected to have an effect on the value of traded options and hence the implied volatility. Ageas therefore decided to move to a gradual exercise strategy in accordance with a disciplined methodology to minimise the impact of the implied volatility of the shares on the value of the call option. Following the move towards a gradual exercise strategy, Ageas decided to base the used volatility on extrapolated implied volatility observed in the market. The value of the call option at 31 March amounted to EUR 204 million, after adjustment for non-standard features.

Sensitivity valuation for assumption changes

Both the applied volatility and the dividend yield assumption have a significant influence on the value of the options: a decrease of the volatility by 10% on 31 March results in a 72.5% decrease in the theoretical value of the option; an increase of the volatility by 10%, all other input variables equal, results in a 99.6% increase of the theoretical value. A decrease of the volatility by 5% on 31 March results in a 40.9% decrease in the theoretical value of the option; an increase of the volatility by 5%, all other input variables equal, results in a 47.6% increase of the theoretical value. A 1% decrease of the dividend yield, keeping other input variables equal, results in a 6.47% increase of the theoretical value, while a 1% increase of the dividend yield, all other input variables kept equal, results in a 5.59% decrease of the theoretical value of the options.

Adjustment for non standard features

Given the unusual features of the option, professional market parties will apply a significant discount to the theoretical valuation. Ageas has decided to lower the theoretical value by 30% for these non-standard features, based on indications from professional market parties ranging from 10% to 50%.

Pay out of proceeds

Ageas has undertaken to propose to the general meetings of shareholders to pay out as dividend the benefits of exercises, monetisation or any other contemplated structure, to the extent permitted by law and taking into account practical constraints.

The Belgian Ruling Commission has confirmed that the grant of the BNP Paribas option is not itself a taxable event for ageas SA/NV. Ageas tax carry forward losses will avoid payment of corporate income tax when the gains on the option are realised. Ageas is thus able, to the extent permitted by law, to propose to dividend out the gross proceeds.

11 Liabilities arising from Life insurance contracts

The following table provides an overview of the liabilities arising from Life insurance contracts as at 31 March.

	31 March 2012	31 December 2011
Liability for future policyholder benefits	24,247.8	24,055.4
Reserve for policyholder profit sharing	313.8	298.4
Shadow accounting	194.9	19.5
Before eliminations	**24,756.5**	**24,373.3**
Eliminations	(2.9)	(2.9)
Gross	**24,753.6**	**24,370.4**
Reinsurance	(53.5)	(39.6)
Net	**24,700.1**	**24,330.8**

12 Liabilities arising from Life investment contracts

The following table provides an overview of the liabilities arising from Life investment contracts as at 31 March.

	31 March 2012	31 December 2011
Liability for future policyholder benefits	27,372.1	27,049.2
Reserve for policyholder profit sharing	65.6	114.1
Shadow accounting	158.6	38.2
Gross	**27,596.3**	**27,201.5**
Reinsurance		
Net	**27,596.3**	**27,201.5**

13 Liabilities related to unit-linked contracts

The liabilities related to unit-linked contracts are broken down into insurance and investment contracts as follows:

	31 March 2012	31 December 2011
Insurance contracts	1,559.4	1,486.1
Investment contracts	11,681.3	11,337.7
Total	**13,240.7**	**12,823.8**

14 Liabilities arising from Non-life insurance contracts

The following table provides an overview of the liabilities arising from Non-life insurance contracts as at 31 March.

	31 March 2012	31 December 2011
Claims reserves	4,707.9	4,606.9
Unearned premiums	1,728.1	1,587.3
Reserve for policyholder profit sharing	10.1	9.7
Before eliminations	**6,446.1**	**6,203.9**
Eliminations		
Gross	**6,446.1**	**6,203.9**
Reinsurance	(431.8)	(428.8)
Net	**6,014.3**	**5,775.1**

15 Debt certificates

The following table shows the types of debt certificates (EMTN) issued by Ageas and the amounts outstanding as at 31 March.

	31 March 2012	31 December 2011
Held at amortised cost	111.3	152.5
Held at fair value through profit or loss	105.4	104.2
Total debt certificates	**216.7**	**256.7**

16 Subordinated liabilities

The following table provides a specification of the subordinated liabilities as at 31 March.

	31 March 2012	31 December 2011
FRESH	1,250.0	1,250.0
- Hybrone	496.3	496.1
- Nitsh I	570.1	588.8
- Nitsh II	552.8	567.5
Ageas Hybrid Financing	1,619.2	1,652.4
Other subordinated liabilities	45.2	71.2
Total subordinated liabilities	**2,914.4**	**2,973.6**

16.1 FRESH

On 7 May 2002, Ageasfinlux S.A. issued undated Floating Rate Equity-linked Subordinated Hybrid capital securities (FRESH) for a total principal amount of EUR 1,250 million and with a denomination of EUR 250,000 each. Coupons on the securities are payable quarterly in arrears, at a variable rate of 3 month Euribor + 135 basis points.

The FRESH was issued by Ageasfinlux S.A., with ageas SA/NV and ageas N.V. acting as co-obligors. The principal amount of the securities will not be repaid in cash. The sole recourse of the holders of the FRESH against any of the co-obligors with respect to the principal amount are the 39,682,540 Ageas shares that Ageasfinlux S.A. pledged in favour of such holders. Pending the exchange of the FRESH against Ageas shares, these Ageas shares do not have any dividend rights or voting rights (the reported number of outstanding Ageas shares as at 31 March 2012 already includes the 39,682,540 Ageas shares issued for the purpose of such exchange).

In the event that dividends are not paid on the Ageas shares, or that the dividends to be declared are below a threshold with respect to any financial year (dividend yield less than 0.5%) and in certain other exceptional circumstances, payment of coupons will be made in accordance with the so-called Alternative Coupon Settlement Method (ACSM). The ACSM implies that new Ageas shares will be issued and delivered to the holders of the FRESH. To date all coupons have been paid in cash. If the ACSM is triggered and there is insufficient available authorised capital to enable ageas N.V. and ageas SA/NV to meet the ACSM obligation, the coupon settlement will be postponed until such time as the ability to issue shares is restored. Because of these characteristics the FRESH is treated as part of Ageas's regulatory qualifying capital.

The FRESH has no maturity date, but may be exchanged for Ageas shares at a price of EUR 31.50 per share at the discretion of the holder. The FRESH will automatically be converted into Ageas shares if the price of the Ageas share is equal to or higher than EUR 47.25 on twenty consecutive stock exchange business days.

16.2 Ageas Hybrid Financing

In 2006, Ageas incorporated a special purpose company named Ageas Hybrid Financing S.A., which issued perpetual deeply subordinated and pari passu ranking securities, and invested the proceeds thereof in instruments issued by (former) Ageas operating companies which qualified as solvency for those entities. The securities issued by Ageas Hybrid Financing S.A. have the benefit of a support agreement and a subordinated guarantee entered into by ageas SA/NV and ageas N.V.

Ageas Hybrid Financing S.A. issued EUR 500 million of securities called 'Hybrone' in 2006, at an interest rate of 5.125% until 20 June 2016 and 3 month Euribor + 200 basis points thereafter. In 2008 it issued USD 750 million of securities called 'Nitsh I' at an interest rate of 8.25% and EUR 625 million of securities called 'Nitsh II' at an interest rate of 8.0%. The first call date of these two instruments is in 2013.

The proceeds of these securities were on-lent to AG Insurance for EUR 745 million and to Fortis Bank SA/NV for EUR 375 million and USD 750 million. Under the support agreement ageas SA/NV and ageas N.V. are obliged to contribute to Ageas Hybrid Financing S.A. such funds as necessary to allow it to pay the coupon in any year that Ageas declares a dividend or, alternatively, to pay the coupon through the ACSM if the entities which received the proceeds fail to pay the coupons on their on-loans in cash due to a breach of the applicable regulatory minimum solvency levels.

In the event that Ageas fails to achieve the regulatory minimum solvency level or if consolidated assets are less than the sum of liabilities, excluding liabilities not considered senior debt, or if Ageas Hybrid Financing S.A. so elects, the cash coupon will be replaced by settlement through the ACSM.

16.3 Other subordinated liabilities

The EUR 45.2 million reported under other subordinated liabilities at 31 March (year end 2011: EUR 71.2 million) includes a perpetual subordinated loan in the amount of EUR 42.1 million issued by Tesco Underwriting and underwritten by Tesco Bank.

17 Borrowings

The table below shows the components of Borrowings as at 31 March.

	31 March 2012	31 December 2011
Due to banks	1,867.6	2,043.5
Due to customers	96.7	97.2
Other borrowings	156.1	136.3
Total borrowings	**2,120.4**	**2,277.0**

17.1 Due to banks

The table below shows the components of Due to banks.

	31 March 2012	31 December 2011
Deposits from banks:		
- Demand deposits	8.7	2.3
- Other deposits	28.6	32.6
Total deposits	**37.3**	**34.9**
Repurchase agreements	1,105.0	1,279.6
Other	725.3	729.0
Total due to banks	**1,867.6**	**2,043.5**

17.2 Due to customers

The components of Due to customers are as follows:

	31 March 2012	31 December 2011
Deposits	0.6	0.5
Other borrowings	5.6	5.4
Funds held under reinsurance agreements	90.5	91.3
Total due to customers	**96.7**	**97.2**

18 Current and deferred tax assets and liabilities

The components of deferred tax assets and deferred tax liabilities are shown below.

	Statement of financial position		Income statement	
	31 March 2012	31 December 2011	First three months of 2012	First three months of 2011
Deferred tax assets related to:				
Financial investments (available for sale)	111.7	130.2	2.4	
Investment property	15.4	19.5	(4.1)	0.8
Property, plant and equipment	43.6	44.6	(0.9)	(0.3)
Intangible assets (excluding goodwill)	6.8	6.6	0.2	
Insurance policy and claim reserves	367.0	299.6	(6.6)	(0.9)
Provisions for pensions and post-retirement benefits	42.6	43.4	(0.8)	(0.1)
Other provisions	7.2	7.1		0.1
Accrued expenses and deferred income	2.5	2.6	(0.1)	0.3
Unused tax losses	185.0	296.1	(78.2)	(14.8)
RPN(I)	48.0	56.1		
Other	147.6	115.9	23.7	4.0
Gross deferred tax assets	**977.4**	**1,021.7**	**(64.4)**	**(10.9)**
Unrecognised deferred tax assets	(94.9)	(94.7)	0.4	0.5
Net deferred tax assets	**882.5**	**927.0**	**(64.0)**	**(10.4)**
Deferred tax liabilities related to:				
Derivatives held for trading (assets)	0.7	1.9	1.2	(3.4)
Financial investments (available for sale)	751.3	409.1	(0.7)	(0.8)
Unit-linked investments	2.9	2.7	(0.3)	
Investment property	99.6	113.1	13.5	(3.6)
Loans to customers	3.0	3.0		
Property, plant and equipment	189.6	190.0	0.3	0.2
Intangible assets (excluding goodwill)	140.4	142.4	2.0	2.0
Other provisions	2.1	1.5	(0.6)	
Deferred policy acquisition costs	58.3	58.1	(0.1)	(1.3)
Deferred expense and accrued income	1.5	1.5		
Tax exempt realised reserves	41.9	42.4	0.6	0.6
Call option BNP Paribas shares	60.2	116.5		
Other	184.5	100.6	(26.7)	4.5
Total deferred tax liabilities	**1,536.0**	**1,182.8**	**(10.8)**	**(1.8)**
Deferred tax income (expense)			**(74.8)**	**(12.2)**
Net deferred tax	**(653.5)**	**(255.8)**		

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority. The amounts in the statement of financial position are offset as follows:

	31 March 2012	31 December 2011
Deferred tax asset	203.0	358.8
Deferred tax liability	856.5	614.6
Net deferred tax	**(653.5)**	**(255.8)**

19 RPN(I)

On 7 February 2012, Ageas and BNP Paribas reached an agreement on a partial settlement of the RPN(I) and the full call of the Tier 1 instrument, issued by Fortis Bank SA/NV and for 95% held by Ageas (see Note 7). The RPN(I) is a financial instrument that results in quarterly payments being made to, or received from, Fortis Bank SA/NV.

The settlement and call were both subject to the successful cash tender by BNP Paribas on the CASHES financial instrument. On 6 February 2012, BNP Paribas converted 7,553 of the tendered securities out of 12,000 CASHES securities outstanding (62.94%) into 78,874,241 Ageas's shares. BNP Paribas committed not to sell these shares for a period of six months. Following the conversion, the RPN(I) liability ceases to exist on a pro rata basis.

The indemnity for a 100% conversion was set at EUR 456 million, so Ageas indemnified BNP Paribas for EUR 287 million as a result of the above conversion (62.94% of EUR 456 million). In addition a net loss of EUR 12 million due to costs related to the transaction and including the best estimate of the fair value of the annual indemnification, based on the assumption that the remaining CASHES will be converted in the next years, was recognised in the income statement. The total impact on the income statement of the indemnification amounted therefore to EUR 299 million.

Ageas reviewed the level 3 valuation of the RPN(I) and decided to include a floor in the valuation of the remaining RPN(I), corresponding to the indemnification agreed. The RPN(I) will be valued at the higher of the net discounted value of the expected interest payments and this floor. This amount of the floor is depending on the expected purchase price of the CASHES and the price of the Ageas share at that moment. As at 31 March 2012, the RPN(I) liability amounted to EUR 163 million (31 December 2011: EUR 190 million) and as a result the release amounted to EUR 27 million.

20 Provisions

Provisions consist of provisions for tax disputes and legal litigations. The provisions are based on best estimates available at year-end based on management judgement and in most cases the opinion of legal and tax advisors. The timing of the outflow of cash related to these provisions is by nature uncertain given the unpredictability of the outcome and the time involved in concluding litigation/disputes.

Changes in provisions during the year are as follows:

	31 March 2012	31 December 2011
Balance as at 1 January	**2,403.4**	**2,407.6**
Acquisition and divestment of subsidiaries		(15.8)
Increase in provisions	1.7	26.4
Reversal of unused provisions	(0.8)	(3.2)
Utilised during the year	(0.1)	(11.6)
Closing balance	**2,404.2**	**2,403.4**

In 2010, Ageas has set up a provision, amounting to EUR 2,362 million, for the disputes with the Dutch State. These disputes arise from the differences in interpretation of the terms and conditions of the sale of Fortis Bank Nederland, Fortis Verzekeringen Nederland and Fortis Corporate Insurance from Ageas to the Dutch State in October 2008. The Dutch State is of the opinion that, based on the term sheets underlying the sale, they are:

- the owner of the EUR 2 billion claim on ABN AMRO related to the conversion of the MCS (see also Note 9 Reinsurance and other receivables);
- the owner of the EUR 362 million claim on FCC/ABN AMRO related to FCC transaction (see also Note 9 Reinsurance and other receivables);
- entitled to some EUR 885 million related to a capital guarantee included in the sales documentation (see Note 29 Contingent liabilities).

As communicated by the Dutch State and Ageas, both parties aspire to reach an amicable settlement. In this settlement the dispute over the ownership of claims on ABN AMRO related to the FCC transaction and the MCS transaction as well as the capital guarantee will be resolved. Ageas believes that the provision of EUR 2,362 million is sufficient to cover the outflow of benefits related to the potential settlement.

21 Liability related to written put option on NCI

In the Consolidated Financial Statements of 2008, Ageas disclosed that on 12 March 2009 an agreement was concluded on the sale of 25% + 1 share of AG Insurance to Fortis Bank (now named BNP Paribas Fortis Bank) for an amount of EUR 1,375 million. This agreement was approved by the Shareholder's meetings of Ageas of May 2009. As part of this transaction Ageas granted to Fortis Bank a put option to resell the acquired stake in AG Insurance in the six-month period starting 1 January, 2018 to Ageas.

Ageas concluded that the exercise of the put option is unconditional. In accordance with IAS 32 Ageas is therefore obliged to recognise a financial liability against the present value of the estimated exercise price of the put option in 2018. This financial liability is shown in a separate line ('Liability related to written put option') in the statement of financial position. In addition, the liability is included in the General Account as the liability relates to Ageas Insurance International N.V. (the parent company of AG Insurance).

In more detail the IFRS guidance requires Ageas to recognise a liability even though:

- the put option has not been exercised;
- there is no indication that Fortis Bank plans to exercise the option based on the current strategic cooperation;
- the exercise price at fair value is below the net asset value.

The counterpart of this liability is a write down of the value of the Non-controlling interest underlying the option. The difference between the value of the Non-controlling interest and the fair value of the liability is added to the Other reserves which are included in Shareholders' equity.

Subsequent changes in the fair value of the liability related to the put option are recorded in the Other Reserves.

If the option is exercised in 2018, the liability will be settled by a cash payment of Ageas to Fortis Bank resulting in Ageas reacquiring 25% + 1 share of AG Insurance. However, if the option matures without exercising then the liability is written off against Non-controlling interest and Other Reserves.
While the option has not been exercised, the results in the Consolidated income statement linked to Non-controlling interest (the 25% + 1 share part of Fortis Bank) are recorded as Non-controlling interest.

Valuation

The liability is valued at the discounted amount of the consideration expected to be paid on settlement. There are no market indicators for such a value, therefore Ageas used a level 3 valuation method based on:

- current market multiples for insurance companies;
- a growth in value of 5.5% based on an expected rate of return of 11%, and a 50% dividend pay-out;
- a discount rate of 10%.

Based on these assumptions the net present value of the liability is EUR 663.4 million on 31 March (31 December 2011: EUR 655.8 million). The following sensitivities have been calculated:

Discount rate	+1% point	(1%) point
Value liability	628	701
Relative impact	(5.3%)	5.6%

Price to book	+10%	(10%)
Value liability	730	597
Relative impact	10.0%	(10.0%)

Growth rate	+1% point	(1%) point
Value liability	702	626
Relative impact	5.8%	(5.6%)

Notes to the Consolidated income statement

22 Insurance premiums

The following table provides an overview of the composition of gross inflow and net earned premiums.

	First three months of 2012	First three months of 2011
Gross inflow Life	1,634.2	2,065.0
Gross inflow Non-life	1,186.6	1,101.7
General and eliminations	(0.1)	(0.7)
Total gross inflow	**2,820.7**	**3,166.0**

	First three months of 2012	First three months of 2011
Net premiums Life	1,426.6	1,486.6
Net earned premiums Non-life	989.0	783.8
General and eliminations	(0.1)	(0.7)
Total net earned premiums	**2,415.5**	**2,269.7**

Life

The table below shows the details of Life premiums.

	First three months of 2012	First three months of 2011
Unit-linked insurance contracts		
Single written premiums	0.6	1.6
Periodic written premiums	21.2	23.0
Group business total	*21.8*	*24.6*
Single written premiums	8.4	24.9
Periodic written premiums	6.2	8.9
Individual business total	*14.6*	*33.8*
Total unit-linked insurance contracts	**36.4**	**58.4**
Non unit-linked insurance contracts		
Single written premiums	62.4	70.1
Periodic written premiums	238.0	217.7
Group business total	*300.4*	*287.8*
Single written premiums	213.7	150.6
Periodic written premiums	179.7	178.6
Individual business total	*393.4*	*329.2*
Total non unit-linked insurance contracts	**693.8**	**617.0**
Investment contracts with DPF		
Single written premiums	615.2	723.8
Periodic written premiums	111.8	116.8
Total investment contracts with DPF	**727.0**	**840.6**
Gross premium income Life insurance	**1,457.2**	**1,516.0**
Single written premiums	141.3	509.9
Periodic written premiums	35.7	39.1
Premium inflow deposit accounting	**177.0**	**549.0**
Total gross inflow Life	**1,634.2**	**2,065.0**

Total premium inflow Life insurance is gross premiums received by insurance companies for issued insurance and investment contracts. Premium inflow of insurance contracts and investment contracts with DPF is recognised in the income statement. Premium inflow of investment contracts without DPF, mainly unit-linked contracts, is – after deduction of fees – directly recognised as liabilities (deposit accounting). Fees are recognised as fee income in the income statement.

	First three months of 2012	First three months of 2011
Gross premium income Life	1,457.2	1,516.0
Ceded reinsurance premiums	(30.6)	(29.4)
Net premiums Life	**1,426.6**	**1,486.6**

Non-life

The table below shows the details of Non-life insurance premiums. Premiums for motor, fire and other damage to property and other are grouped in Property & Casualty:

First three months of 2012	Accident & Health	Property & casualty	Total
Gross written premiums	244.3	942.3	1,186.6
Change in unearned premiums, gross	(50.0)	(89.1)	(139.1)
Gross earned premiums	**194.3**	**853.2**	**1,047.5**
Ceded reinsurance premiums	(3.3)	(55.4)	(58.7)
Reinsurers' share of unearned premiums	(0.4)	0.6	0.2
Net earned premiums Non-life insurance	**190.6**	**798.4**	**989.0**
First three months of 2011			
Gross written premiums	245.9	855.8	1,101.7
Change in unearned premiums, gross	(53.8)	(213.3)	(267.1)
Gross earned premiums	**192.1**	**642.5**	**834.6**
Ceded reinsurance premiums	(8.1)	(44.6)	(52.7)
Reinsurers' share of unearned premiums	0.6	1.3	1.9
Net earned premiums Non-life insurance	**184.6**	**599.2**	**783.8**

Below is a breakdown of the net earned premiums by Insurance operating segment.

First three months of 2012	Accident & Health	Property & casualty	Total
Belgium	122.2	295.2	417.4
UK	12.9	466.0	478.9
Continental Europe	55.5	37.2	92.7
Net earned premiums Non-life insurance	**190.6**	**798.4**	**989.0**
First three months of 2011			
Belgium	116.0	278.5	394.5
UK	13.4	281.5	294.9
Continental Europe	55.2	39.2	94.4
Net earned premiums Non-life insurance	**184.6**	**599.2**	**783.8**

23 Interest, dividend and other investment income

The table below provides details of Interest, dividend and other investment income.

	First three months of 2012	First three months of 2011
Interest income		
Interest income on cash equivalents	4.1	7.1
Interest income on loans to banks	62.0	26.2
Interest income on investments	536.9	542.9
Interest income on loans to customers	36.3	32.1
Interest income on derivatives held for trading	5.9	14.5
Other interest income	4.1	2.2
Total interest income	**649.3**	**625.0**
Dividend income from equity securities	7.0	5.8
Rental income from investment property	43.8	41.0
Revenues parking garage	64.5	64.2
Other investment income	14.8	14.6
Total interest, dividend and other investment income	**779.4**	**750.6**

The increase in Interest income on loans to banks is mainly due to the amortisation of and the interest received on the Fortis Bank Tier 1 loan acquired in 2011 and recalled in 2012 (see also Note 7).

24 Result on sales and revaluations

Result on sales and revaluations are broken down as follows:

	First three months of 2012	First three months of 2011
Debt securities classified as available for sale	74.6	18.3
Equity securities classified as available for sale	3.2	29.3
Derivatives held for trading	(2.2)	8.9
Capital gain (losses) on sale of shares of subsidiaries	(2.3)	
Property, plant and equipment	0.1	0.1
Assets and liabilities held at fair value through profit or loss	20.3	7.4
Hedging results		(0.1)
Other	129.3	(3.3)
Total result on sales and revaluations	**223.0**	**60.6**

In the context of ongoing uncertainties in the financial markets Ageas reduced the concentration on Southern European government bonds in its investment portfolio during the year, as well as rebalanced the portfolio in other asset classes. The rebalancing of the portfolio resulted in capital gains and losses within the debt securities classified as available for sale, equity securities classified as available for sale, as well as in derivatives held for trading.

Derivatives held for trading are initially recognised at acquisition cost, including any transaction costs to acquire the financial instrument. Subsequent measurement is at fair value with changes in fair value recorded in the income statement.

All changes in fair value of the assets and liabilities held at fair value through profit or loss are reported above. This includes unrealised gains and losses from revaluations and realised gains and losses upon derecognition of the assets or liabilities.

Hedging results contain the changes in fair value attributable to the hedged risk – mainly interest-rate risk – of hedged assets and liabilities and the changes in fair value of the hedging instruments.

In 2012, the line Other relates mainly to the realised gain on the Tier 1 being EUR 128.5 million (see also Note 7).

25 Insurance claims and benefits

The details of Insurance claims and benefits are shown in the table below.

	First three months of 2012	First three months of 2011
Life insurance	1,690.8	1,755.8
Non-life insurance	716.9	550.6
General account and eliminations	(0.1)	(1.5)
Total insurance claims and benefits, net	**2,407.6**	**2,304.9**

Details of Life Insurance claims and benefits, net of reinsurance, are shown below.

	First three months of 2012	First three months of 2011
Benefits and surrenders, gross	1,214.4	1,264.3
Change in liabilities arising from insurance and investment contracts, gross	496.7	508.9
Total Life insurance claims and benefits, gross	**1,711.1**	**1,773.2**
Reinsurers' share of claims and benefits	(20.3)	(17.4)
Total Life insurance claims and benefits, net	**1,690.8**	**1,755.8**

Details of Non-life Insurance claims and benefits, net of reinsurance, are shown in the following table.

	First three months of 2012	First three months of 2011
Claims paid, gross	626.9	548.7
Change in liabilities arising from insurance contracts, gross	104.9	27.2
Total Non-life insurance claims and benefits, gross	**731.8**	**575.9**
Reinsurers' share of change in liabilities	(2.2)	(4.9)
Reinsurers' share of claims paid	(12.7)	(20.4)
Total Non-life insurance claims and benefits, net	**716.9**	**550.6**

26 Finance costs

The following table shows the breakdown of Finance costs by product.

	First three months of 2012	First three months of 2011
Finance costs		
Debt certificates	2.9	6.8
Subordinated liabilities	39.8	39.0
Borrowings - due to banks	11.0	13.3
Borrowings - due to customers		2.5
Other borrowings	1.7	2.5
Derivatives	3.4	3.9
Other liabilities	9.7	10.8
Total finance costs	**68.5**	**78.8**

27 Change in impairments

The Change in impairments is as follows:

	First three months of 2012	First three months of 2011
Change in impairments of:		
Investments in debt securities		0.4
Investments in equity securities and other	16.9	5.7
Loans to customers	1.0	0.1
Reinsurance and other receivables	1.7	0.4
Goodwill and other intangible assets		(0.4)
Total change in impairments	**19.6**	**6.2**

Notes on segment reporting

28 Information on segments

28.1 General information

Ageas has an organisational structure based on a lean Executive Committee and a Management Committee consisting of the ExCo, the CEO's of the four geographical regions and the CRO.

Operating segments

Ageas is organised into five operating segments (for details see below):

- Belgium;
- United Kingdom (UK);
- Continental Europe;
- Asia;
- General Account.

Ageas decided that the most appropriate way of reporting operating segments under IFRS is per region in which Ageas operates, meaning Belgium, United Kingdom, Continental Europe and Asia. In addition, Ageas reports activities not related to the core insurance business such as group finance and other holding activities within the General Account that is presented as a separate operating segment.

Ageas's segment reporting reflects the full economic contribution of the businesses of Ageas. The aim is direct allocation to the businesses of all statements of financial positions and income statement items for which the businesses have full managerial responsibility.

Transactions between the different businesses are executed under the standard commercial terms and conditions.

Allocation rules

In accordance with Ageas's business model, insurance companies report support activities directly in the business.

When allocating items from the statement of financial position to operating segments, a bottom-up approach is used based on the products sold to external customers.

For the items of the statement of financial position not related to products sold to customers, a tailor-made methodology adapted to the specific business model of each reportable segment is applied.

28.2 Belgium

The Belgian insurance activities, operating since June 2009 under the name of AG Insurance, have a longstanding history. The company serves approximately 2.5 million customers and its premium inflow until 31 March amounts to EUR 1.8 billion. Some 70% of this income comes from Life insurance; the remainder from Non-life insurance. AG Insurance is also a 100% owner of AG Real Estate, which manages its real estate activities and has grown into the largest real estate group in Belgium.

AG Insurance targets private individuals as well as small, medium-sized and large companies. It offers its customers a comprehensive range of Life and Non-life insurance through various channels: more than 3,000 independent brokers and via the bank channels of BNP Paribas Fortis and its subsidiaries. AG Employee Benefits is the dedicated business unit offering group pension and health care solutions, mainly to larger enterprises. Since May 2009, BNP Paribas Fortis Bank owns 25% of AG Insurance.

28.3 United Kingdom (UK)

Ageas's business in the UK is a leading national provider of Non-life insurance solutions and a related Life protection business launched in 2008. The UK business has a strong presence in the Personal lines market and is continuing to expand its Commercial lines proposition. The split is around 82% Personal lines, 16% Commercial lines and 2% Life. The UK business is the affinity partner of a number of very strong brands including Tesco Bank, John Lewis Partnership, Age UK and Toyota (GB) Limited. The UK business adopts a multi-channel distribution strategy across brokers, affinity partners and own distribution. Its 100% owned subsidiaries include RIAS and Castle Cover which have over a million customers in the growing +50 age market segment and Ageas Insurance Solutions which provides white label solutions to affinity partners, outsourcing services as well as direct internet promotion of its own brands. The successful start-up of Tesco Underwriting, the partnership with Tesco Bank (49%) and the integration of the acquired business of Kwik-Fit Insurance Services will further strengthen Ageas's respective market positions in the UK.

In order to provide transparency in respect of the contribution from its various business segments, Ageas took the decision to break down the UK results in three sub-segments – Life, Non-life and Other Insurance, which includes the results of its retail operations.

28.4 Continental Europe

Continental Europe currently consists of the insurance activities of Ageas in Europe, excluding Belgium and the United Kingdom. Active in five markets including Portugal, France, Italy and Luxembourg and since 2011 Turkey, the product range includes Life (in Portugal, France and Luxembourg) and Non-life (in Portugal, Italy and Turkey). Access to markets is facilitated through a number of key partnerships with companies enjoying a sizeable position in their respective markets.

As at 31 March, about 70% of total inflows were Life related and 30% Non-life.

In Luxembourg, Ageas and BNP Paribas merged at the end of 2011 their respective Luxembourg Life operations into Cardif Luxembourg Vie, the second largest Luxembourg provider of Life insurance. Furthermore, since August 2011 Ageas has become the Non-life insurance partner of Sabanci in Turkey, acquiring a 31% stake in AKSigorta. Since then both Sabanci and Ageas have further increased their stakes in the company (each owning 35.37% at 31 March).

28.5 Asia

Ageas is active in a number of countries in Asia with its regional office based in Hong Kong and the fully-owned subsidiary in Hong Kong. The other activities are organised in the form of joint ventures with leading local partners and financial institutions in China (20-24.9% owned by Ageas), Malaysia (30.95% owned by Ageas), Thailand (15-31% owned by Ageas) and India (26% owned by Ageas). In terms of reporting, Ageas reports on a consolidated basis the Hong Kong subsidiary while the other stakes are accounted for as associates.

28.6 General Account

The General Account comprises activities not related to the core Insurance business, such as group finance and other holding activities. In addition, the General Account also includes the investment in Royal Park Investments, the call option on BNP Paribas shares, the liabilities related to CASHES (RPN(I)), the written put option on NCI, Intreinco N.V. and the claims and litigations related to events in 2008.

28.7 Statement of financial position by operating segment

31 March 2012	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total
Assets							
Cash and cash equivalents	1,101.5	326.8	200.1	93.8	768.7		2,490.9
Financial investments	46,472.7	2,427.6	7,804.6	1,396.2	105.6	(13.1)	58,193.6
Investment property	2,082.1		24.3	0.4			2,106.8
Loans	3,087.3		235.7	123.3	2,818.9	(1,191.5)	5,073.7
Investments related to unit-linked contracts	5,983.3		6,812.0	446.3		(68.9)	13,172.7
Investments in associates	150.9		253.1	764.6	918.0	9.7	2,096.3
Reinsurance and other receivables	873.4	743.1	216.7	57.8	2,366.5	(4.2)	4,253.3
Current tax assets	119.9	4.6					124.5
Deferred tax assets	20.3	2.6	110.8		69.3		203.0
Call option BNP Paribas shares					204.0		204.0
Accrued interest and other assets	1,210.2	381.6	281.5	216.2	86.2	(47.9)	2,127.8
Property, plant and equipment	1,035.3	54.2	5.6	3.0	1.6		1,099.7
Goodwill and other intangible assets	351.6	310.6	498.4	402.8			1,563.4
Assets held for sale							
Total assets	**62,488.5**	**4,251.1**	**16,442.8**	**3,504.4**	**7,338.8**	**(1,315.9)**	**92,709.7**
Liabilities							
Liabilities arising from life insurance contracts	21,013.6		2,577.6	1,165.4		(3.0)	24,753.6
Liabilities arising from life investment contracts	23,061.1		4,534.3	0.9			27,596.3
Liabilities related to unit-linked contracts	5,983.3		6,811.1	446.3			13,240.7
Liabilities arising from non-life insurance contracts	3,323.9	2,457.7	664.5				6,446.1
Debt certificates					216.7		216.7
Subordinated liabilities	895.0	161.5	28.0		2,938.1	(1,108.2)	2,914.4
Borrowings	1,836.2	182.9	26.8	150.4	76.2	(152.1)	2,120.4
Current tax liabilities	42.9	30.1	35.2	6.3			114.5
Deferred tax liabilities	688.4	37.1	61.8		69.2		856.5
RPN(I)					162.7		162.7
Accrued interest and other liabilities	1,605.4	270.3	179.4	69.4	141.2	(52.0)	2,213.7
Provisions	16.0	1.3	11.3		2,375.6		2,404.2
Liability related to written put option on NCI					663.4		663.4
Liabilities related to assets held for sale							
Total liabilities	**58,465.8**	**3,140.9**	**14,930.0**	**1,838.7**	**6,643.1**	**(1,315.3)**	**83,703.2**
Shareholders' equity	2,921.5	1,024.4	1,023.1	1,665.7	1,669.6	(0.6)	8,303.7
Non-controlling interests	1,101.2	85.8	489.7		(973.9)		702.8
Total equity	**4,022.7**	**1,110.2**	**1,512.8**	**1,665.7**	**695.7**	**(0.6)**	**9,006.5**
Total liabilities and equity	**62,488.5**	**4,251.1**	**16,442.8**	**3,504.4**	**7,338.8**	**(1,315.9)**	**92,709.7**
Number of employees	**5,816**	**5,340**	**1,076**	**379**	**116**		**12,727**

31 December 2011	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total
Assets							
Cash and cash equivalents	1,871.2	184.5	191.5	109.6	344.7		2,701.5
Financial investments	43,595.6	2,461.9	7,647.3	1,416.8	122.7	(12.9)	55,231.4
Investment property	2,020.9		24.4	0.4			2,045.7
Loans	2,879.0		392.4	136.5	3,490.1	(1,214.6)	5,683.4
Investments related to unit-linked contracts	5,894.3		6,528.0	401.0		(51.9)	12,771.4
Investments in associates	150.8		241.7	752.6	804.6	9.8	1,959.5
Reinsurance and other receivables	680.2	761.3	246.8	59.6	2,368.4	(5.2)	4,111.1
Current tax assets	118.7	6.7	1.7				127.1
Deferred tax assets	27.7	3.6	165.4		162.1		358.8
Call option BNP Paribas shares					395.0		395.0
Accrued interest and other assets	1,481.5	366.9	273.8	208.7	88.8	(33.5)	2,386.2
Property, plant and equipment	1,034.6	53.3	5.6	3.2	1.6		1,098.3
Goodwill and other intangible assets	357.5	312.7	504.9	419.2			1,594.3
Assets held for sale					138.5		138.5
Total assets	**60,112.0**	**4,150.9**	**16,223.5**	**3,507.6**	**7,916.5**	**(1,308.3)**	**90,602.2**
Liabilities							
Liabilities arising from life insurance contracts	20,720.5		2,471.5	1,181.3		(2.9)	24,370.4
Liabilities arising from life investment contracts	22,478.2		4,722.2	1.1			27,201.5
Liabilities related to unit-linked contracts	5,894.3		6,528.5	401.0			12,823.8
Liabilities arising from non-life insurance contracts	3,195.9	2,347.6	660.4				6,203.9
Debt certificates					256.7		256.7
Subordinated liabilities	894.6	161.2	28.0		2,980.5	(1,090.7)	2,973.6
Borrowings	1,787.9	197.3	233.6	155.4	78.7	(175.9)	2,277.0
Current tax liabilities	34.4	15.4	3.6	5.8			59.2
Deferred tax liabilities	361.6	53.1	65.7		134.2		614.6
RPN(I)					190.0		190.0
Accrued interest and other liabilities	1,426.6	284.2	159.1	75.9	186.8	(38.5)	2,094.1
Provisions	15.6	1.6	11.7		2,374.5		2,403.4
Liability related to written put option on NCI					655.8		655.8
Liabilities related to assets held for sale					110.5		110.5
Total liabilities	**56,809.6**	**3,060.4**	**14,884.3**	**1,820.5**	**6,967.7**	**(1,308.0)**	**82,234.5**
Shareholders' equity	2,380.8	1,007.5	929.3	1,687.1	1,755.9	(0.3)	7,760.3
Non-controlling interests	921.6	83.0	409.9		(807.1)		607.4
Total equity	**3,302.4**	**1,090.5**	**1,339.2**	**1,687.1**	**948.8**	**(0.3)**	**8,367.7**
Total liabilities and equity	**60,112.0**	**4,150.9**	**16,223.5**	**3,507.6**	**7,916.5**	**(1,308.3)**	**90,602.2**
Number of employees	**5,806**	**5,238**	**1,062**	**352**	**99**		**12,557**

28.8 Income statement by operating segment

First three months of 2012	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total
Income							
- *Gross premium income [1]*	*1,740.4*	*551.9*	*294.3*	*57.2*		*(0.1)*	*2,643.7*
- *Change in unearned premiums*	*(106.7)*	*(25.5)*	*(6.9)*				*(139.1)*
- *Ceded earned premiums*	*(13.4)*	*(34.7)*	*(35.5)*	*(5.5)*			*(89.1)*
Net earned premiums	1,620.3	491.7	251.9	51.7		(0.1)	2,415.5
Interest, dividend and other investment income	599.9	17.7	78.4	18.3	82.3	(17.2)	779.4
Unrealised gain (loss) on Call option BNP Paribas shares					(191.0)		(191.0)
Unrealised gain (loss) on RPN(I) (incl. settlement on RPN(I)/CASHES)					(270.7)		(270.7)
Result on sales and revaluations	83.2	11.1	8.7	(1.9)	121.9		223.0
Income related to investments for unit-linked contracts	245.2		498.4	37.1			780.7
Share of result of associates	(5.1)		2.6	37.4	112.4		147.3
Fee and commission income	27.7	31.6	35.1	9.5			103.9
Other income	28.1	25.8	2.0	1.7	0.8	(3.7)	54.7
Total income	**2,599.3**	**577.9**	**877.1**	**153.8**	**(144.3)**	**(21.0)**	**4,042.8**
Expenses							
- *Insurance claims and benefits, gross*	*(1,742.2)*	*(378.8)*	*(278.4)*	*(43.5)*		*0.1*	*(2,442.8)*
- *Insurance claims and benefits, ceded*	*3.9*	*11.0*	*18.4*	*1.9*			*35.2*
Insurance claims and benefits, net	(1,738.3)	(367.8)	(260.0)	(41.6)		0.1	(2,407.6)
Charges related to unit-linked contracts	(247.8)		(485.7)	(38.2)			(771.7)
Finance costs	(27.1)	(3.3)	(1.5)	(4.0)	(49.9)	17.3	(68.5)
Change in impairments	(17.8)		(1.8)				(19.6)
Change in provisions	(0.4)	0.3	0.3		(1.1)		(0.9)
Fee and commission expenses	(168.7)	(89.4)	(34.0)	(15.9)	(0.1)		(308.1)
Staff expenses	(111.9)	(54.4)	(17.5)	(7.6)	(3.6)	(0.1)	(195.1)
Other expenses	(128.2)	(36.9)	(25.0)	(2.8)	(11.7)	3.7	(200.9)
Total expenses	**(2,440.2)**	**(551.5)**	**(825.2)**	**(110.1)**	**(66.4)**	**21.0**	**(3,972.4)**
Result before taxation	**159.1**	**26.4**	**51.9**	**43.7**	**(210.7)**		**70.4**
Tax income (expenses)	(54.1)	(6.4)	(17.4)	(0.7)	(27.9)		(106.5)
Net result for the period	**105.0**	**20.0**	**34.5**	**43.0**	**(238.6)**		**(36.1)**
Attributable to non-controlling interests	27.4	3.1	17.2				47.7
Net result attributable to shareholders	**77.6**	**16.9**	**17.3**	**43.0**	**(238.6)**		**(83.8)**
Total income from external customers	2,596.2	577.9	877.1	152.8	(161.2)		4,042.8
Total income internal	3.1			1.0	16.9	(21.0)	
Total income	**2,599.3**	**577.9**	**877.1**	**153.8**	**(144.3)**	**(21.0)**	**4,042.8**
Non-cash expenses (excl. depreciation & amortisation)	(66.4)	(1.6)	(9.3)	(0.1)			(77.4)

1) *Gross inflow (sum of gross written premiums and premium inflow of investment contracts without Discretionary Participation Features) can be calculated as follows.*

First three months of 2012	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total
Gross premium income	1,740.4	551.9	294.3	57.2		(0.1)	2,643.7
Inflow deposit accounting	53.2		92.8	31.0			177.0
Gross inflow	**1,793.6**	**551.9**	**387.1**	**88.2**		**(0.1)**	**2,820.7**

First three months of 2011	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total
Income							
- *Gross premium income* [1]	*1,733.2*	*481.4*	*351.9*	*51.2*	*(0.6)*	*(0.1)*	*2,617.0*
- *Change in unearned premiums*	*(101.2)*	*(154.9)*	*(11.0)*				*(267.1)*
- *Ceded earned premiums*	*(16.9)*	*(23.8)*	*(34.5)*	*(5.0)*			*(80.2)*
Net earned premiums	1,615.1	302.7	306.4	46.2	(0.6)	(0.1)	2,269.7
Interest, dividend and other investment income	584.7	14.9	95.0	14.8	58.1	(16.9)	750.6
Unrealised gain (loss) on Call option BNP Paribas shares					2.0		2.0
Unrealised gain (loss) on RPN(I)					(257.0)		(257.0)
Result on sales and revaluations	62.3	1.1	0.9	0.6	(4.3)		60.6
Income related to investments for unit-linked contracts	(14.8)		129.7	3.7			118.6
Share of result of associates	2.8			25.1	(11.9)		16.0
Fee and commission income	25.2	28.4	50.4	9.6			113.6
Other income	25.7	25.6	1.4	0.6	0.1	(3.1)	50.3
Total income	**2,301.0**	**372.7**	**583.8**	**100.6**	**(213.6)**	**(20.1)**	**3,124.4**
Expenses							
- *Insurance claims and benefits, gross*	*(1,738.5)*	*(252.6)*	*(319.3)*	*(38.7)*	*(6.0)*	*0.1*	*(2,355.0)*
- *Insurance claims and benefits, ceded*	*3.1*	*21.3*	*16.9*	*1.4*	*7.4*		*50.1*
Insurance claims and benefits, net	(1,735.4)	(231.3)	(302.4)	(37.3)	1.4	0.1	(2,304.9)
Charges related to unit-linked contracts	14.4		(127.6)	(4.0)			(117.2)
Finance costs	(26.3)	(4.8)	(1.0)	(3.5)	(60.1)	16.9	(78.8)
Change in impairments	(4.4)		(1.4)		(0.4)		(6.2)
Change in provisions	(0.2)	0.7	(0.1)				0.4
Fee and commission expenses	(170.0)	(69.3)	(47.3)	(15.7)	(0.4)		(302.7)
Staff expenses	(107.6)	(40.4)	(22.0)	(6.0)	(3.4)	(0.6)	(180.0)
Other expenses	(124.0)	(23.1)	(33.6)	(3.4)	(11.3)	3.1	(192.3)
Total expenses	**(2,153.5)**	**(368.2)**	**(535.4)**	**(69.9)**	**(74.2)**	**19.5**	**(3,181.7)**
Result before taxation	**147.5**	**4.5**	**48.4**	**30.7**	**(287.8)**	**(0.6)**	**(57.3)**
Tax income (expenses)	(37.0)	(1.3)	(12.7)	(0.5)	(0.1)		(51.6)
Net result for the period	**110.5**	**3.2**	**35.7**	**30.2**	**(287.9)**	**(0.6)**	**(108.9)**
Attributable to non-controlling interests	28.9	(1.7)	17.9		(0.4)		44.7
Net result attributable to shareholders	**81.6**	**4.9**	**17.8**	**30.2**	**(287.5)**	**(0.6)**	**(153.6)**
Total income from external customers	2,297.9	372.7	583.8	99.6	(229.6)		3,124.4
Total income internal	3.1			1.0	16.0	(20.1)	
Total income	**2,301.0**	**372.7**	**583.8**	**100.6**	**(213.6)**	**(20.1)**	**3,124.4**
Non-cash expenses (excl. depreciation & amortisation)	(57.3)		(47.2)	(0.1)			(104.6)

1) *Gross inflow (sum of gross written premiums and premium inflow of investment contracts without Discretionary Participation Features) can be calculated as follows.*

First three months of 2011	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total
Gross premium income	1,733.2	481.4	351.9	51.2	(0.6)	(0.1)	2,617.0
Inflow deposit accounting	88.4		436.9	23.7			549.0
Gross inflow	**1,821.6**	**481.4**	**788.8**	**74.9**	**(0.6)**	**(0.1)**	**3,166.0**

28.9 Statement of financial position split into Life, Non-life and Other Insurance

31 March 2012	Life	Non-life	Other Insurance	General Account	Eliminations	Total
Assets						
Cash and cash equivalents	1,329.3	342.0	50.9	768.7		2,490.9
Financial investments	51,738.5	6,362.6		105.6	(13.1)	58,193.6
Investment property	1,898.5	208.3				2,106.8
Loans	3,329.4	116.9	50.4	2,818.9	(1,241.9)	5,073.7
Investments related to unit-linked contracts	13,241.5				(68.8)	13,172.7
Investments in associates	868.6	300.0		918.0	9.7	2,096.3
Reinsurance and other receivables	666.7	1,016.1	317.0	2,366.5	(113.0)	4,253.3
Current tax assets	115.9	7.2	1.4			124.5
Deferred tax assets	102.8	28.3	2.6	69.3		203.0
Call option BNP Paribas shares				204.0		204.0
Accrued interest and other assets	1,680.1	404.0	13.9	86.2	(56.4)	2,127.8
Property, plant and equipment	938.5	143.2	16.4	1.6		1,099.7
Goodwill and other intangible assets	1,087.3	177.3	298.8			1,563.4
Assets held for sale						
Total assets	**76,997.1**	**9,105.9**	**751.4**	**7,338.8**	**(1,483.5)**	**92,709.7**
Liabilities						
Liabilities arising from life insurance contracts	24,756.5				(2.9)	24,753.6
Liabilities arising from life investment contracts	27,596.3					27,596.3
Liabilities related to unit-linked contracts	13,240.7					13,240.7
Liabilities arising from non-life insurance contracts		6,446.1				6,446.1
Debt certificates				216.7		216.7
Subordinated liabilities	827.4	188.3	119.4	2,938.1	(1,158.8)	2,914.4
Borrowings	1,867.1	174.2	155.0	76.2	(152.1)	2,120.4
Current tax liabilities	71.9	37.3	5.3			114.5
Deferred tax liabilities	697.0	86.3	4.0	69.2		856.5
RPN(I)				162.7		162.7
Accrued interest and other liabilities	1,504.4	560.3	177.0	141.2	(169.2)	2,213.7
Provisions	16.1	12.5		2,375.6		2,404.2
Liability related to written put option on NCI				663.4		663.4
Liabilities related to assets held for sale						
Total liabilities	**70,577.4**	**7,505.0**	**460.7**	**6,643.1**	**(1,483.0)**	**83,703.2**
Shareholders' equity	5,150.4	1,193.5	290.7	1,669.6	(0.5)	8,303.7
Non-controlling interests	1,269.3	407.4		(973.9)		702.8
Total equity	**6,419.7**	**1,600.9**	**290.7**	**695.7**	**(0.5)**	**9,006.5**
Total liabilities and equity	**76,997.1**	**9,105.9**	**751.4**	**7,338.8**	**(1,483.5)**	**92,709.7**
Number of employees	**4,807**	**4,781**	**3,023**	**116**		**12,727**

31 December 2011	Life	Non-life	Other Insurance	General Account	Eliminations	Total
Assets						
Cash and cash equivalents	2,121.3	199.3	36.2	344.7		2,701.5
Financial investments	48,964.3	6,157.4		122.7	(13.0)	55,231.4
Investment property	1,844.2	201.5				2,045.7
Loans	3,266.2	141.8	41.3	3,490.1	(1,256.0)	5,683.4
Investments related to unit-linked contracts	12,823.3				(51.9)	12,771.4
Investments in associates	855.2	289.9		804.6	9.8	1,959.5
Reinsurance and other receivables	541.1	928.7	385.3	2,368.4	(112.4)	4,111.1
Current tax assets	113.7	13.3	0.1			127.1
Deferred tax assets	153.5	39.7	3.5	162.1		358.8
Call option BNP Paribas shares				395.0		395.0
Accrued interest and other assets	1,835.8	485.5	13.5	88.8	(37.4)	2,386.2
Property, plant and equipment	938.1	143.1	15.5	1.6		1,098.3
Goodwill and other intangible assets	1,115.3	179.3	299.7			1,594.3
Assets held for sale				138.5		138.5
Total assets	**74,572.0**	**8,779.5**	**795.1**	**7,916.5**	**(1,460.9)**	**90,602.2**
Liabilities						
Liabilities arising from life insurance contracts	24,373.3				(2.9)	24,370.4
Liabilities arising from life investment contracts	27,201.5					27,201.5
Liabilities related to unit-linked contracts	12,823.8					12,823.8
Liabilities arising from non-life insurance contracts		6,203.9				6,203.9
Debt certificates				256.7		256.7
Subordinated liabilities	821.2	184.8	119.2	2,980.5	(1,132.1)	2,973.6
Borrowings	2,025.5	183.7	165.0	78.7	(175.9)	2,277.0
Current tax liabilities	37.1	15.1	7.0			59.2
Deferred tax liabilities	410.2	65.7	4.5	134.2		614.6
RPN(I)				190.0		190.0
Accrued interest and other liabilities	1,334.4	509.9	212.7	186.8	(149.7)	2,094.1
Provisions	16.3	12.5	0.1	2,374.5		2,403.4
Liability related to written put option on NCI				655.8		655.8
Liabilities related to assets held for sale				110.5		110.5
Total liabilities	**69,043.3**	**7,175.6**	**508.5**	**6,967.7**	**(1,460.6)**	**82,234.5**
Shareholders' equity	4,506.6	1,211.5	286.6	1,755.9	(0.3)	7,760.3
Non-controlling interests	1,022.1	392.4		(807.1)		607.4
Total equity	**5,528.7**	**1,603.9**	**286.6**	**948.8**	**(0.3)**	**8,367.7**
Total liabilities and equity	**74,572.0**	**8,779.5**	**795.1**	**7,916.5**	**(1,460.9)**	**90,602.2**
Number of employees	**4,764**	**4,664**	**3,030**	**99**		**12,557**

28.10 Income statement split into Life, Non-life and Other Insurance

First three months of 2012	Life	Non-life	Other Insurance	General Account	Eliminations	Total
Income						
- *Gross premium income* [1]	*1,457.2*	*1,186.6*			*(0.1)*	*2,643.7*
- *Change in unearned premiums*		*(139.1)*				*(139.1)*
- *Ceded earned premiums*	*(30.6)*	*(58.5)*				*(89.1)*
Net earned premiums	1,426.6	989.0			(0.1)	2,415.5
Interest, dividend and other investment income	654.7	64.1	(3.8)	82.3	(17.9)	779.4
Unrealised gain (loss) on Call option BNP Paribas shares				(191.0)		(191.0)
Unrealised gain (loss) on RPN(I) (incl. settlement on RPN(I)/CASHES)				(270.7)		(270.7)
Result on sales and revaluations	78.0	23.1		121.9		223.0
Income related to investments for unit-linked contracts	780.7					780.7
Share of result of associates	29.9	5.0		112.4		147.3
Fee and commission income	66.6	7.1	43.8		(13.6)	103.9
Other income	19.9	19.3	23.1	0.8	(8.4)	54.7
Total income	**3,056.4**	**1,107.6**	**63.1**	**(144.3)**	**(40.0)**	**4,042.8**
Expenses						
- *Insurance claims and benefits, gross*	*(1,711.1)*	*(731.8)*			*0.1*	*(2,442.8)*
- *Insurance claims and benefits, ceded*	*20.3*	*14.9*				*35.2*
Insurance claims and benefits, net	(1,690.8)	(716.9)			0.1	(2,407.6)
Charges related to unit-linked contracts	(771.7)					(771.7)
Finance costs	(29.6)	(4.1)	(2.8)	(49.9)	17.9	(68.5)
Change in impairments	(16.2)	(3.4)				(19.6)
Change in provisions	0.4	(0.2)		(1.1)		(0.9)
Fee and commission expenses	(119.5)	(202.1)		(0.1)	13.6	(308.1)
Staff expenses	(90.2)	(74.7)	(26.6)	(3.6)		(195.1)
Other expenses	(112.5)	(55.8)	(29.3)	(11.7)	8.4	(200.9)
Total expenses	**(2,830.1)**	**(1,057.2)**	**(58.7)**	**(66.4)**	**40.0**	**(3,972.4)**
Result before taxation	**226.3**	**50.4**	**4.4**	**(210.7)**		**70.4**
Tax income (expenses)	(63.2)	(14.1)	(1.3)	(27.9)		(106.5)
Net result for the period	**163.1**	**36.3**	**3.1**	**(238.6)**		**(36.1)**
Attributable to non-controlling interests	37.6	10.1				47.7
Net result attributable to shareholders	**125.5**	**26.2**	**3.1**	**(238.6)**		**(83.8)**
Total income from external customers	3,048.4	1,106.6	27.3	(139.4)		4,042.9
Total income internal	8.0	1.0	35.8	(4.9)	(40.0)	(0.1)
Total income	**3,056.4**	**1,107.6**	**63.1**	**(144.3)**	**(40.0)**	**4,042.8**
Non-cash expenses (excl. depreciation & amortisation)	(69.9)	(6.2)	(1.3)			(77.4)

1) *Gross inflow (sum of gross written premiums and premium inflow of investment contracts without Discretionary Participation Features) can be calculated as follows.*

First three months of 2012	Life	Non-life	Other Insurance	General Account	Eliminations	Total
Gross premium income	1,457.2	1,186.6			(0.1)	2,643.7
Inflow deposit accounting	177.0					177.0
Gross inflow	**1,634.2**	**1,186.6**			**(0.1)**	**2,820.7**

First three months of 2011	Life	Non-life	Other Insurance	General Account	Eliminations	Total
Income						
- *Gross premium income* [1]	*1,516.0*	*1,101.7*		*(0.6)*	*(0.1)*	*2,617.0*
- *Change in unearned premiums*		*(267.1)*				*(267.1)*
- *Ceded earned premiums*	*(29.4)*	*(50.8)*				*(80.2)*
Net earned premiums	1,486.6	783.8		(0.6)	(0.1)	2,269.7
Interest, dividend and other investment income	652.8	60.9	(4.3)	58.1	(16.9)	750.6
Unrealised gain (loss) on Call option BNP Paribas shares				2.0		2.0
Unrealised gain (loss) on RPN(I)				(257.0)		(257.0)
Result on sales and revaluations	57.9	7.0		(4.3)		60.6
Income related to investments for unit-linked contracts	118.6					118.6
Share of result of associates	20.2	7.7		(11.9)		16.0
Fee and commission income	80.5	5.1	39.8		(11.8)	113.6
Other income	17.7	14.3	22.6	0.1	(4.4)	50.3
Total income	**2,434.3**	**878.8**	**58.1**	**(213.6)**	**(33.2)**	**3,124.4**
Expenses						
- *Insurance claims and benefits, gross*	*(1,773.2)*	*(575.9)*		*(6.0)*	*0.1*	*(2,355.0)*
- *Insurance claims and benefits, ceded*	*17.4*	*25.3*		*7.4*		*50.1*
Insurance claims and benefits, net	(1,755.8)	(550.6)		1.4	0.1	(2,304.9)
Charges related to unit-linked contracts	(117.2)					(117.2)
Finance costs	(28.3)	(3.4)	(3.9)	(60.1)	16.9	(78.8)
Change in impairments	(4.7)	(1.1)		(0.4)		(6.2)
Change in provisions	0.7	(0.3)				0.4
Fee and commission expenses	(133.1)	(181.0)		(0.4)	11.8	(302.7)
Staff expenses	(89.6)	(63.9)	(22.5)	(3.4)	(0.6)	(180.0)
Other expenses	(120.2)	(39.0)	(26.2)	(11.3)	4.4	(192.3)
Total expenses	**(2,248.2)**	**(839.3)**	**(52.6)**	**(74.2)**	**32.6**	**(3,181.7)**
Result before taxation	**186.1**	**39.5**	**5.5**	**(287.8)**	**(0.6)**	**(57.3)**
Tax income (expenses)	(39.9)	(10.1)	(1.5)	(0.1)		(51.6)
Net result for the period	**146.2**	**29.4**	**4.0**	**(287.9)**	**(0.6)**	**(108.9)**
Attributable to non-controlling interests	40.5	4.6		(0.4)		44.7
Net result attributable to shareholders	**105.7**	**24.8**	**4.0**	**(287.5)**	**(0.6)**	**(153.6)**
Total income from external customers	2,426.3	878.0	49.6	(229.5)		3,124.4
Total income internal	8.0	0.8	8.5	15.9	(33.2)	
Total income	**2,434.3**	**878.8**	**58.1**	**(213.6)**	**(33.2)**	**3,124.4**
Non-cash expenses (excl. depreciation & amortisation)	(101.9)	(2.7)				(104.6)

1) *Gross inflow (sum of gross written premiums and premium inflow of investment contracts without Discretionary Participation Features) can be calculated as follows.*

First three months of 2011	Life	Non-life	Other Insurance	General Account	Eliminations	Total
Gross premium income	1,516.0	1,101.7		(0.6)	(0.1)	2,617.0
Inflow deposit accounting	549.0					549.0
Gross inflow	**2,065.0**	**1,101.7**		**(0.6)**	**(0.1)**	**3,166.0**

28.11 Technical result insurance

To analyse the insurance results, Ageas uses the concept of technical result and operating margin.

Technical result mainly includes premiums, fees and allocated financial income minus claims and benefits and operating expenses. Realised gains and losses on investments backing certain insurance liabilities, including separated funds, are part of the allocated financial income and are thus included in the technical result. Financial income, net of the related investment costs, is allocated to the various Life and Non-life branches based on the investment portfolios backing the insurance liabilities of these branches.

Realised and unrealised gains and losses on investments recognised in the income statement, which back the insurance liabilities of the various branches and that are not allocated to the technical result, are included in the operating margin.
The reconciliation of the operating margin and profit before taxation, includes all income and costs, not allocated to the insurance or investment contracts and thus not reported in the operating margin.

Within its insurance operating segments, Ageas manages its Life and Non-life businesses separately. Life business includes insurance contracts covering risks related to the life and death of individuals. Life business also includes investment contracts with and without discretionary participation features (DPF). Non-life comprises four lines of business: Accident & Health, Motor, Fire and other damage to property (covering the risk of property losses or claims liabilities) and Other.

The technical results for the different segments and lines of business and their reconciliation with profit before taxation are shown below.

First three months of 2012	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total Ageas
Gross inflow Life	1,258.9	18.0	269.1	88.2		(0.1)	1,634.1
Gross inflow Non-life	534.7	533.9	118.0				1,186.6
Operating costs	(118.9)	(52.1)	(35.8)	(10.0)			(216.8)
Life technical result	77.1	(0.9)	31.1	11.1			118.4
- *Accident & Health*	*16.9*		*7.0*				*23.9*
- *Motor*	*4.6*	*22.0*	*2.5*				*29.1*
- *Fire and other damage to property*	*(19.0)*	*(10.2)*	*0.4*				*(28.8)*
- *Other*	*0.5*	*(3.0)*	*1.2*				*(1.3)*
Non-Life technical result	3.0	8.8	11.1				22.9
Total technical result	**80.1**	**7.9**	**42.2**	**11.1**			**141.3**
Capital gains (losses) allocated to operating margin	54.5	8.0	0.9	0.9			64.3
Operating margin	**134.6**	**15.9**	**43.1**	**12.0**			**205.6**
Share of result of associates	(5.1)		2.6	37.4	112.4		147.3
Other result, including brokerage	29.6	10.5	6.2	(5.7)	(323.1)		(282.5)
Result before taxation	**159.1**	**26.4**	**51.9**	**43.7**	**(210.7)**		**70.4**
Key performance indicators							
Expense ratio	36.9%	25.6%	25.4%				30.3%
Claims ratio	67.2%	76.7%	64.9%				71.6%
Combined ratio	104.1%	102.3%	90.3%				101.9%
Life cost ratio in % of Life FUM (annualised)	0.38%		0.52%	2.49%			0.51%
Funds under management [1)]	53,381.9	2,457.7	14,587.5	1,612.6		(3.0)	72,036.7

1) *Funds under management represents the total of Insurance liabilities for insurance and investment contracts both Life and Non-life.*

First three months of 2011	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total Ageas
Gross inflow Life	1,310.5	10.3	669.3	74.9		(0.1)	2,064.9
Gross inflow Non-life	511.1	471.1	119.5		(0.6)		1,101.1
Operating costs	(114.3)	(37.8)	(45.8)	(8.2)			(206.1)
Life technical result	65.0	(1.4)	42.1	8.3			114.0
- *Accident & Health*	*17.0*	*(0.5)*	*4.0*				*20.5*
- *Motor*	*13.2*	*9.1*	*(0.3)*				*22.0*
- *Fire and other damage to property*	*(16.0)*	*(14.0)*	*(1.1)*				*(31.1)*
- *Other*	*9.0*	*1.9*	*0.4*				*11.3*
Non-Life technical result	23.2	(3.5)	3.0				22.7
Total technical result	**88.2**	**(4.9)**	**45.1**	**8.3**			**136.7**
Capital gains (losses) allocated to operating margin	17.2	0.9		0.4			18.5
Operating margin	**105.4**	**(4.0)**	**45.1**	**8.7**			**155.2**
Share of result of associates	2.8			25.1	(11.9)		16.0
Other result, including brokerage	39.3	8.5	3.3	(3.1)	(275.9)	(0.6)	(228.5)
Result before taxation	**147.5**	**4.5**	**48.4**	**30.7**	**(287.8)**	**(0.6)**	**(57.3)**
Key performance indicators							
Expense ratio	36.7%	27.6%	29.2%				32.4%
Claims ratio	61.9%	78.4%	70.1%				69.1%
Combined ratio	98.6%	106.0%	99.3%				101.5%
Life cost ratio in % of Life FUM (annualised)	0.38%		0.57%	2.35%			0.51%
Funds under management [1)]	51,760.9	1,748.9	23,643.3	1,368.3		(2.7)	78,518.7

1) *Funds under management represents the total of Insurance liabilities for insurance and investment contracts both Life and Non-life.*

Claims ratio	:	the cost of claims, net of reinsurance, as a percentage of net earned premiums, excluding the internal costs of handling claims.
Expense ratio	:	expenses as a percentage of net earned premiums, net of reinsurance. Expenses include internal costs of handling claims, plus net commissions charged to the year, less internal investment costs.
Combined ratio	:	the sum of the claims ratio and the expense ratio.

Ageas reviewed the calculation methodology of the combined ratios and decided to bring the calculation more in line with market practice for Non-Life products with discounted insurance liabilities in Disability and Workmen’s Compensation. This change is especially impacting the Belgian segment. As of this year the unwind of the discount has been excluded from the claims ratio. Comparable data has been restated accordingly with a positive impact on the overall combined ratio in the past quarter of 0.9%.

29 Contingent liabilities

29.1 Contingent liabilities related to legal proceedings

Like any other financial institution, Ageas is involved as a defendant in various claims, disputes and legal proceedings arising in the ordinary course of its business.

In addition, as a result of the events and developments occurred in respect of the former Fortis group between May 2007 and October 2008 (a.o. capital increase and acquisition of parts of ABN AMRO and capital increase in October 2007, announcement of the accelerated solvency plan in June 2008, divestment of banking activities and Dutch insurance activities in September/October 2008), Ageas is involved or may still become involved in a number of legal proceedings as well as administrative and criminal investigations in Belgium and the Netherlands, some of which could result in substantial but currently unquantifiable future liabilities for Ageas.

The ongoing investigations do not have immediate (material) monetary consequences for Ageas, but it cannot be ruled out that they could lead to such negative impact at a later stage. This is the case for (i) an investigation conducted by the Belgian Financial Services and Markets Authority (FSMA) who has submitted to the sanctions committee a report drawn up by its investigations officer relating to Fortis' external communications on the course of the implementation of its solvency plan and its solvency outlook during the second quarter of 2008, as well as (ii) the criminal investigation conducted in Belgium. Any negative findings of these ongoing investigations may impact existing legal proceedings and lead to new proceedings against Ageas, including claims for compensatory damages being initiated against Ageas at a later stage.

On 5 February 2010, the AFM levied a fine on each ageas SA/NV and ageas N.V. of EUR 288,000 for breaches of the Dutch Securities Act ('Wet op het financieel toezicht'). The AFM alleges that on 5 June 2008 certain statements would have been incorrect or misleading in respect of the solvency situation of Fortis and that on 14 June 2008 Fortis should have made public that the required EC remedies would imply that the financial objectives for 2008 and later could not be achieved without additional measures. This might imply that, for the period of 5 to 25 June 2008, investors may allege to have traded on not fully correct information. Ageas challenges any allegations of wrongdoing. After rejection of the administrative appeal, Ageas has appealed the decision of the AFM before the District Court in Rotterdam. On 4 May 2011 the District Court of Rotterdam confirmed the decision of the AFM. Ageas has filed an appeal against this decision with the competent court in the Netherlands.

On 16 June 2010, the expert report commissioned by the Ondernemingskamer in Amsterdam was filed for public inspection. A copy of the report can be downloaded from the Ageas website. Among other things the experts are critical of the way in which Fortis informed its investors over time and conclude that the information provided by Fortis to investors in a number of areas was incorrect or at least incomplete. In particular, they refer to : (i) the information on the position and exposure of Fortis in relation to the subprime situation in the trading update of 21 September 2007 and in the prospectus for the rights issue (which incorporated the trading update) effectuated on 9 October 2007 (although the experts acknowledge that information has not been manipulated or willingly misrepresented); (ii) information on the sale of certain parts of ABN AMRO as required by the EC competition authorities and solvency position of Fortis, in the period as of 21 May 2008 until 26 June 2008; (iii) the communication of certain facts to investors in the subsequent period and more specifically on 26 September 2008.

On 16 August 2010, VEB and certain other parties filed a request with the Ondernemingskamer (i) to start legal proceedings aimed at establishing that certain facts mentioned in the expert report should be deemed 'mismanagement' ('wanbeleid') by Fortis and (ii) to annul the discharge granted to Fortis N.V. directors on 29 April 2008. On 5 April 2012 the Ondernemingskamer partly rejected, but at the same time partly upheld, the VEB requests stating that in certain matters there was mismanagement. Subsequently, the Ondernemingskamer nullified the decision of the general shareholders meeting of Fortis N.V. to discharge the Board of Directors for its management during 2007 to the extent it relates to the communication on the subprime portfolio in the prospectus and trading update. Ageas will file an appeal with the Supreme Court. The findings of the Dutch experts have led and may still lead to new claims and proceedings being filed against Ageas, including claims for compensatory damages.

The experts' findings may also impact existing legal proceedings. Although Ageas will challenge any allegations of wrongdoing, such actions if successful may ultimately have a severe material impact on Ageas. At this point however it is not possible to assess the chances that such actions would succeed, nor to quantify the damages which may have to be paid if that would be the case.

On 19 August 2010, the AFM levied an additional fine on each of ageas SA/NV and ageas N.V. of EUR 144,000 for breach of the Dutch Securities Act. The AFM alleges that Fortis did not timely inform investors on its subprime position and should have published information on its subprime position and exposure (both overall and in the US, as well as a break down) in the trading update published on 21 September 2007 in the context of the rights issue effectuated on 9 October 2007. This might imply that, for the period as of 21 September 2007, investors may allege to have traded on incomplete information. Ageas challenges any allegations of wrongdoing. After rejection of the administrative appeal, Ageas has appealed this decision of the AFM before the District Court in Rotterdam. On 9 February 2012, the District Court of Rotterdam confirmed the decision of the AFM. Ageas has filed an appeal against this decision with the competent court in the Netherlands.

Ageas is also involved or may still become involved in legal proceedings directly or indirectly resulting from events and developments occurred in respect of the former Fortis group between May 2007 and October 2008: Various proceedings have been initiated in Belgium and the Netherlands (in)directly (i) in relation to the September/October 2008 transactions or (ii) aiming at the payment of monetary damages based on alleged miscommunication and/or market abuse committed by Fortis over the period between May 2007 and October 2008. Such proceedings include:

- proceedings initiated before the Brussels Commercial Court:
  a) by a number of individuals represented by Mr Modrikamen initially demanding the annulment of the sale of ASR to the Dutch State and the sale of Fortis Bank to SFPI (and subsequently to BNP Paribas), or alternatively damages; on 8 December 2009, the court a.o. decided that it is not competent to judge on actions against the Dutch defendants; on 26 April 2011, Mr Modrikamen filed (i) an appeal against the forementioned decision on competence and (ii) a trial brief on the merits regarding the sale of the Belgian bank. The claim now focuses on damages asked from the Dutch State, DNB, SFPI and BNP Paribas;
  b) by a number of individuals gathered around Deminor International, demanding damages because of alleged lack of or misleading information by Fortis in the period May 2007 until October 2008; these proceedings are pending;
  c) the experts appointed by the President of the court at the request of Deminor in November 2008 to investigate the circumstances surrounding the break-up of the Fortis group have filed their final report on 18 November 2011.

- proceedings initiated before the Amsterdam District Court:
  d) by VEB demanding to establish that various communications of Fortis in the period September 2007 to 3 October 2008 constitute a breach of law by Fortis and certain of its former directors and top executives; that each of these breaches is an unlawful act of all or certain defendants and that these defendants are consequently liable for damages suffered by those who bought shares in the relevant period; This includes a claim (vis-à-vis Fortis, certain of its former directors and top executives and the financial institutions acting as global coordinators and lead managers in connection with the rights issue) that the information on the position and exposure of Fortis in relation to the subprime situation in the prospectus of 24 September 2007 for the rights issue effectuated on 9 October 2007 was incorrect and incomplete;
  e) by the Dutch State claiming an amount of EUR 210 million from the Ageas parent companies and EUR 674 million from Ageas Insurance International N.V. The Dutch State bases these alleged claims on the application of certain provisions allegedly agreed by Fortis Insurance N.V., Fortis Insurance International N.V. and Fortis FBN(H) Preferred Investments B.V. in the context of the sale of the Dutch banking and insurance activities on 3 October 2008.

- proceedings initiated before the Amsterdam Court of Appeal:
  f) by the Stichting FortisEffect and a number of individuals represented by Mr De Gier demanding to repeal the judgment of the Amsterdam District Court of 18 May 2011 in favour of Ageas, which dismissed their claim to invalidate the decisions taken by the Fortis Board in October 2008 and unwind the transactions, or alternatively, to pay damages.

- proceedings initiated before the Utrecht District Court:
  g) by a number of individuals represented by Mr Bos demanding damages due to alleged miscommunication in 2008. On 15 February 2012 the court decided that Fortis and two co-defendants (the former CEO and the former financial executive) disseminated misleading information in the period 22 May to 26 June 2008; it further ruled that separate proceedings are necessary to decide whether the plaintiffs suffered damages, and if so, the amount of such damages. Ageas will appeal this judgment. In this context, some former directors and top executives of Fortis have requested the court to acknowledge the alleged obligation of Ageas, under termination agreements entered into in 2008 and/or rules of Dutch civil law, to hold such persons harmless against damages resulting from or relating to the legal proceedings initiated against them and which would originate from their functions within the Fortis group. Ageas is contesting the validity of the mentioned statutory and contractual hold harmless commitments;
  h) by a Stichting under Dutch law, called 'Investor Claims Against Fortis' alleging miscommunication by Fortis on various occasions in the period 2007-2008. This includes a claim (vis-à-vis Fortis and two of its financial advisors) that the information on the position and exposure of Fortis in relation to the subprime situation in the prospectus of 24 September 2007 for the rights issue effectuated on 9 October 2007, was incorrect and incomplete.

As said above Ageas denies any wrongdoing and will challenge any allegations thereof in court. However, if successful this may ultimately have a severe material impact on Ageas. At this point however it is not possible to assess the chances that such actions would succeed, nor to quantify the damages which may have to be paid if that would be the case.

Should any of these proceedings result in the annulment of (part of) the decisions taken by the Fortis Board of Directors in September/October 2008 and of the resulting agreements and transactions (which is highly unlikely taking into account that none of the experts appointed by court have raised arguments that could lead to an annulment of these transactions, and that the Amsterdam District Court in two judgments of 18 May 2011 dismissed the claims of VEB/Deminor and Stichting FortisEffect respectively with regard to these transactions), this would have consequences on the financial position of Ageas that are unquantifiable at this stage. In the event that any court decisions were to order Ageas to pay monetary damages, this could have a severe negative impact on its financial position.

- Legal proceedings have also been initiated related to a hybrid instrument called Mandatory Convertible Securities (MCS) for which ageas SA/NV and ageas N.V. acted as co-obligors.

The Mandatory Convertible Securities (MCS) issued in 2007 by Fortis Bank Nederland (Holding) N.V. (now ABN AMRO Bank N.V.), Fortis Bank SA/NV, ageas SA/NV and ageas N.V., were mandatorily converted on 7 December 2010 into 106,723,569 Ageas shares. Before 7 December, certain MCS holders unilaterally decided at a general MCS holders' meeting to postpone the maturity date of the MCS until 7 December 2030. The effects of this decision were however suspended by the President of the Commercial Court of Brussels at the request of Ageas. After 7 December, the same MCS holders contested the validity of the conversion of the MCS by claiming the annulment of the conversion or, alternatively, damages for an amount of EUR 1.75 billion, before court. On 23 March 2012, the Brussels Commercial Court ruled in favour of Ageas, dismissing all claims of plaintiffs. Hence, the conversion of the MCS into shares issued by Ageas on 7 December 2010 remains unaffected and no compensation is due. This judgment is subject to appeal.

Following the conversion of the MCS, Ageas has initiated a claim against ABN AMRO Bank and ABN AMRO Group in relation to the failure of ABN AMRO Bank to issue shares in its capital to Ageas for the amount of EUR 2 billion, in accordance with an agreement between the four MCS issuers.

The Dutch State has joined these proceedings. The Dutch State alleges that Ageas, by pursuing its claim against ABN AMRO Bank is acting in violation with the Term Sheet entered into upon the sale of Fortis Bank Nederland (Holding) N.V. to the Dutch State on 3 October 2008. The Dutch State alleges that Ageas has waived its right to the claim and that to the extent that Ageas would prevail in its claim against ABN AMRO Bank, such claim should be transferred to the Dutch State pursuant to the legal title of damages or the terms of the Term Sheet. Before having initiated the litigation, the Dutch State has levied a conservatory attachment on Ageas's claims against ABN AMRO Bank.

In respect of all legal proceedings and investigations of which management is aware, Ageas will make provisions for such matters if and when, in the opinion of management, who consult with legal advisors, it is probable that a payment will have to be made by Ageas and the amount can be reasonably estimated.

Without prejudice to any specific comments made above, given the various stages and continuously evolving nature as well as inherent uncertainties and complexity of the current proceedings and investigations, management is not in a position to determine whether any claims or actions brought against Ageas in connection with these proceedings and investigations are without merit or can be successfully defended or whether the outcome of these actions or claims may or may not result in a significant loss in the Ageas Consolidated Financial Statements. Therefore, no provisions have been set apart, other than a provision of EUR 2.4 billion in relation to the disputes with the Dutch State, as mentioned in Note 9 Reinsurance and other receivables.

In 2008, the Fortis parent companies granted to some former executives and directors at the time of their departure a contractual hold harmless protection covering legal expenses and, in some cases, also the financial consequences of any judicial decisions in the event that legal proceedings were brought against such persons on the basis of their mandates exercised in the company. In respect of some of these persons, Ageas is contesting the validity of the contractual hold harmless commitments to the extent they relate to the financial consequences of any judicial decisions.

29.2 Contingent liabilities for hybrid instruments of former subsidiaries

Ageas's former operating entities issued a number of hybrid instruments that have created a contingent liability for ageas N.V. and ageas SA/NV, because these former parent companies acted as guarantor, co-obligor or provided support agreements. The following chapters describe the contingent liabilities linked to these instruments.

1. CASHES

CASHES (Convertible And Subordinated Hybrid Equity-linked Securities) represented 12,000 securities for a total nominal amount of EUR 3 billion, issued by Fortis Bank SA/NV, with ageas SA/NV and ageas N.V. acting as co-obligors. Fortis Bank SA/NV pays the coupon, in quarterly arrears, at a variable rate of 3 month Euribor + 2.0%, up to the exchange of the securities for Ageas shares.

The securities have no maturity date and cannot be repaid in cash: they can only be exchanged into Ageas shares. A mandatory exchange takes place if the price of the Ageas share is equal to or higher than EUR 35.91 on twenty consecutive stock exchange business days (the closing share price at year end 2011 amounted to EUR 1.20). The securities can also be exchanged at the discretion of the security holders at a price of EUR 23.94 per share. At 31 December 2011, Fortis Bank SA/NV owned 125,313,283 Ageas shares, which do not have any dividend or voting rights, for the purpose of the potential exchange.

In January 2012, BNP Paribas launched a tender offer on the CASHES securities at a price of 47.5% and subsequently exchanged 7,553 tendered CASHES securities for 78,874,241 underlying Ageas shares. The tender and subsequent exchange was part of a broader agreement that Ageas reached with Fortis Bank SA/NV and BNP Paribas (see subsequent events in section 56 of the Ageas Consolidated Financial Statements 2011); Ageas paid EUR 287 million indemnity to BNP Paribas for the 63% exchange. The exchanged shares became entitled to dividend and voting right.

As a result of this transaction, the nominal amount of CASHES outstanding decreased to EUR 1,112 million, for which Fortis Bank SA/NV continues to hold 46,439,042 shares.

Ageas agreed to indemnify BNP Paribas on the same conditions as stated in the reached agreement within a period of 2 years, if BNP Paribas would acquire and convert additional CASHES out of the 37% CASHES that remain outstanding. Ageas also agreed to pay an annual indemnity to Fortis Bank SA/NV that equals the grossed up dividend on the shares that Fortis Bank SA/NV holds.

The sole recourse of the holders of the CASHES against any of the co-obligors with respect to the principal amount are the Ageas shares that Fortis Bank SA/NV holds; these shares are pledged in favour of such holders.

In the event that dividends on the Ageas shares would not be paid, or that the dividends to be declared are below a threshold with respect to any financial year (dividend yield less than 0.5%), and in certain other circumstances, coupons will mandatorily need to be settled by ageas SA/NV and ageas N.V. in accordance with the so called Alternative Coupon Settlement Method (ACSM), while Fortis Bank SA/NV would need to issue instruments that qualify as hybrid Tier 1 instruments to Ageas as compensation for the coupons paid by ageas SA/NV and ageas N.V. If the ACSM is triggered and there is insufficient available authorised capital to enable ageas SA/NV and ageas N.V. to meet the ACSM obligation, the coupon settlement will be postponed until such time as the ability to issue shares is restored.

2. Fortis Bank SA/NV Tier 1 debt securities 2004

Fortis Bank SA/NV issued EUR 1,000 million perpetual securities in 2004, which benefit from a support agreement entered into by the former Fortis parent companies now ageas SA/NV and ageas N.V., at an interest rate of 4.625% until 27 October 2014 and 3 month Euribor + 1.70% thereafter.

Under the parental support agreement if Fortis Bank's solvency drops below the threshold level or if Fortis Bank SA/NV so elects, the coupon will be settled through the issue of ordinary shares by ageas SA/NV and ageas N.V. in accordance with a so-called Alternative Coupon Settlement Method (ACSM), for which Fortis Bank would need to compensate ageas SA/NV and ageas N.V. by issuing new shares.

29.3 Other contingent liabilities

Together with BGL BNP Paribas, Ageas Insurance International N.V. has provided a guarantee to Cardif Lux Vie S.A. for up to EUR 100 million to cover outstanding legal claims related to Fortis Lux Vie S.A., a former subsidiary of Ageas that was merged at year-end 2011 with Cardif Lux International S.A. (see also Note 2 on Acquisitions and disposals).

30 Events after the date of the statement of financial position

There have been no material events since the date of the Consolidated statement of financial position that would require adjustment in the Ageas Consolidated Interim Financial Statements as at 31 March 2012.

Ageas announced recently the final step in its plan to simplify its legal structure by proposing to its shareholders the merger of ageas N.V. and ageas SA/NV and a 10 to 1 reverse stock split. These transactions are subject to shareholders' approval at the Extraordinary Meetings of Shareholders scheduled for 28 and 29 June and will be effective as of 7 August 2012 subject to certain conditions.

As in 2011, Ageas created a restricted share programme for its senior management in 2012.

On 25 and 26 April 2012 the respective General Meetings of Shareholders of ageas SA/NV and ageas N.V. approved all the proposals submitted to them by the Board of Directors. The General Meetings of Shareholders have approved:

- the adoption of the company's statutory annual accounts for the financial year 2011;
- the adoption of a gross dividend of EUR 0.08 per Ageas Unit;
- the remuneration report;
- the conservatory measures against the directors of the company;
- the cancellation of the shares bought back (programme announced on 24 August 2011);
- the proposal to discharge the members of the Board of Directors for the financial year 2011;
- all the other agenda points, including the amendments to the Articles of Association.

Statement of the Board of Directors

The Board of Directors of Ageas is responsible for preparing the Ageas Consolidated Interim Financial Statements for the first three months of 2012 in accordance with International Financial Reporting Standards as adopted by the European Union as well as with the European Transparency Directive (2004/109/EC).

The Board of Directors of Ageas declares that, to the best of its knowledge, the Ageas Consolidated Interim Financial Statements of the first three months of 2012 give a true and fair view of the assets, liabilities, financial position, and profit or loss of Ageas, and of the uncertainties that Ageas is facing and that the information contained herein has no omissions likely to modify significantly the scope of any statements made. In addition the Report of the Board of Directors for the first three months of 2012 includes the information required pursuant to section 5:25d subsections 8 and 9 of the Dutch Financial Markets Supervision Act.

The Board of Directors reviewed the Ageas Consolidated Interim Financial Statements for the first three months of 2012 on 11 May 2012 and authorised their issue.

Brussels/Utrecht, 11 May 2012

Board of Directors

Chairman	Jozef De Mey
Vice-Chairman	Guy de Selliers de Moranville
Chief Executive Officer	Bart De Smet
Directors	Frank Arts
	Ronny Brückner
	Shaoliang Jin
	Bridget McIntyre
	Roel Nieuwdorp
	Lionel Perl
	Belén Romana
	Jan Zegering Hadders

Review report

To the Board of Directors of ageas SA/NV and ageas N.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial information of Ageas which comprises the consolidated statement of financial position as at 31 March 2012, the consolidated income statement and consolidated statements of comprehensive income for three month period then ended, changes in equity and cash flows for the three month period then ended, and the notes. The Board of Directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

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Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of condensed 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 31 March 2012 and for the three month period then ended is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Emphasis of Matter

We draw attention to Note 29 to the condensed consolidated interim financial information for the three months period ended 31 March 2012 in which is described that Ageas is involved in a number of legal proceedings as well as administrative and criminal investigations in connection with certain events and developments having occurred between May 2007 and October 2008, some of which could result in financial liabilities for the company. However, the ultimate outcome of these matters cannot presently be determined. Our opinion is not qualified in respect of this matter.

Amstelveen, 11 May 2012
KPMG ACCOUNTANTS N.V.

Represented by
W.G. Bakker RA

Brussels, 11 May 2012
KPMG Réviseurs d'Entreprises/
Bedrijfsrevisoren

Represented by
M. Lange
Réviseur
d'Entreprises/Bedrijfsrevisor