CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the first three months of 2015

Brussels

8 May 2015

CONTENTS

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

REPORT OF THE BOARD OF DIRECTORS OF AGEAS

Developments and results

Developments

During the General Meetings of Shareholders of ageas SA/NV the following proposals submitted by the Board of Directors were approved:

- the company's statutory annual accounts for the financial year 2014;
- the payment of a gross cash dividend of EUR 1.55 per Ageas share;
- the remuneration report;
- the appointment of Mr Christophe Boizard and Mr Filip Coremans, both members of the executive committee of Ageas, as executive members of the Board of Directors, for a period of 4 years, until the close of the Ordinary General Meeting of Shareholders in 2019;
- the reappointment for a period of 4 years, until the close of the Ordinary General Meeting of Shareholders in 2019 of:
  - Mr Jozef De Mey as an independent non-executive member of the Board of Directors;
  - Mr Guy de Selliers de Moranville as an independent non-executive member of the Board of Directors;
  - Mr Lionel Perl as an independent non-executive member of the Board of Directors;
  - Mr Jan Zegering Hadders as an independent non-executive member of the Board of Directors.
- the renewal of the term of office of the Statutory Auditor KPMG Réviseurs d'Entreprises/ Bedrijfsrevisoren for a period of three years for the financial years 2015, 2016 and 2017;
- the cancellation of the shares bought back in 2014;
- the cancellation of VVPR strips.

The other agenda points, including the amendments to the Articles of Association, were also approved.

Results of Ageas

Ageas's first quarter 2015 gross inflows were once again marked by increased sales of almost 30% year on year, and driven in particular by continuous growth in Life volumes in Asia, and to a lesser extent in Continental Europe, while Non-life inflows grew at a more modest level. Total inflows, including the non-consolidated partnerships at 100%, nearly reached EUR 10 billion for the first time, and include a favourable currency exchange impact. The net overall Insurance result increased 37% to EUR 198 million with better results across all segments and marked by a higher contribution from the non-consolidated activities. The net result of the General Account amounted to EUR 44 million positive following a downwards revaluation of the RPN(I) liability.

Total shareholders' equity increased from EUR 10.2 billion or EUR 46.60 per share at the end of 2014 to EUR 12.0 billion or EUR 55.04 per share at the end of March. This increase is attributable to the higher unrealized gains on the bond and equity investment portfolio (EUR 0.8 billion), positive currency exchange differences (EUR 0.3 billion) and the remainder from the quarterly group result and the revaluation of the put option on AG Insurance, partially offset by the shares that were bought back.

Life, Non-life and Other Insurance

The Life net result evolved from EUR 129 million to EUR 148 million driven by solid operating margins in all businesses, a higher contribution from the non-consolidated partnerships in Asia and Continental Europe and lower taxes.

In Belgium, the net result amounted to EUR 72 million compared to EUR 75 million last year. Excluding a one off cost related to an important capital restructuring operation effected in the first quarter, the net result would have been virtually stable. The operating margin on Guaranteed products held up well at 82 bps and almost doubled in Unit-Linked to 47 bps.

In Continental Europe, the first quarter result was up EUR 2 million to EUR 21 million benefiting from strong results in Luxembourg.

In Asia, the net result increased almost 60% to EUR 55 million with a solid contribution from China, Thailand and Hong Kong in particular and a favourable currency rate impact.

The net result of the Non-life activities amounted to EUR 53 million (vs. EUR 12 million) driven by the aforementioned operational improvement and solid contributions from all segments. The impact of the storms and floods that hit the UK last year represented a charge of EUR 35 million net. In Belgium, the net result contribution increased to EUR 23 million (vs. EUR 12 million), while in the UK the net result was up to EUR 19 million (vs. a net loss EUR 10 million). In Continental Europe, net profit increased to EUR 7 million (vs. EUR 5 million) with a positive contribution from Portugal and Italy, and Turkey close to breakeven. In Asia, the net result was slightly lower at EUR 3 million (vs. EUR 4 million) due to Malaysia.

The net result of the Other UK activities amounted to EUR 3 million negative (vs. EUR 5 million). Last year's result included the receipt of a legal settlement.

General Account

The General Account net result amounted to EUR 44 million of which EUR 36 million related to a decrease in the RPN(I) liability. At the end of March this liability stood at EUR 431 million, explained by a decline in the market price of the related CASHES instrument and a higher Ageas' share price. Staff and other operating expenses increased to EUR 13 million.

Solvency

Ageas's total available capital amounted to EUR 9.8 billion at the end of March 2015 compared to EUR 8.8 billion at the end of 2014. It exceeded the total consolidated regulatory minimum capital requirements by EUR 5.5 billion, of which EUR 5.3 billion in insurance. The total available capital of the insurance activities amounted to EUR 9.6 billion, with minimum solvency requirements stable at EUR 4.3 billion. This led to a solvency ratio for the global insurance operations of 222%. The solvency ratios by segments remained strong and amounted to 205% for Belgium, 235% for the United Kingdom, 158% for Continental Europe and 291% for Asia.

Net cash position General Account

The net cash position in the General Account amounted to EUR 1.6 billion, stable compared to the end of 2014. The amount of cash invested in liquid assets with a maturity above one year, also remained stable at EUR 0.3 billion.

Brussels, 7 May 2015

Board of Directors

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST THREE MONTHS OF 2015

Consolidated statement of financial position

(before appropriation of profit)

	Note	31 March 2015	31 December 2014
Assets			
Cash and cash equivalents	7	2,847.5	2,516.3
Financial investments	8	70,786.6	68,174.8
Investment property	8	2,616.7	2,641.3
Loans	9	6,831.1	6,068.3
Investments related to unit-linked contracts		15,940.7	14,758.9
Investments in associates	10	2,607.3	2,221.3
Reinsurance and other receivables		2,132.3	1,991.7
Current tax assets	14	11.9	11.8
Deferred tax assets	14	104.0	106.4
Accrued interest and other assets		2,225.1	2,460.2
Property, plant and equipment		1,128.4	1,119.4
Goodwill and other intangible assets		1,543.4	1,488.6
Total assets		**108,775.0**	**103,559.0**
Liabilities			
Liabilities arising from Life insurance contracts	11.1	30,248.6	29,419.7
Liabilities arising from Life investment contracts	11.2	30,913.8	30,569.7
Liabilities related to unit-linked contracts	11.3	15,961.4	14,829.0
Liabilities arising from Non-life insurance contracts	11.4	7,461.6	7,147.6
Debt certificates		2.1	2.2
Subordinated liabilities	12	2,385.5	2,086.3
Borrowings	13	2,732.8	2,483.5
Current tax liabilities	14	138.6	84.8
Deferred tax liabilities	14	1,777.2	1,463.6
RPN(I)	15	431.4	467.0
Accrued interest and other liabilities		2,571.2	2,436.9
Provisions	16	172.2	171.4
Liabilities related to written put options on NCI	17	1,313.5	1,485.8
Total liabilities		**96,109.9**	**92,647.5**
Shareholders' equity	3	11,981.7	10,223.3
Non-controlling interests		683.4	688.2
Total equity		**12,665.1**	**10,911.5**
Total liabilities and equity		**108,775.0**	**103,559.0**

Consolidated income statement

	Note	First three months 2015	First three months 2014
Income			
- *Gross premium income*		*2,486.1*	*2,346.3*
- *Change in unearned premiums*		*(107.9)*	*(139.4)*
- *Ceded earned premiums*		*(81.0)*	*(90.3)*
Net earned premiums	*21*	2,297.2	2,116.6
Interest, dividend and other investment income	*22*	733.3	716.0
Unrealised gain (loss) on RPN(I)		35.6	(103.7)
Result on sales and revaluations	*23*	55.5	78.3
Investment income related to unit-linked contracts		938.0	418.9
Share of result of associates		72.7	36.2
Fee and commission income		124.8	106.7
Other income		43.7	59.1
Total income		**4,300.8**	**3,428.1**
Expenses			
- *Insurance claims and benefits, gross*		*(2,211.6)*	*(2,128.8)*
- *Insurance claims and benefits, ceded*		*28.4*	*47.1*
Insurance claims and benefits, net	*24*	(2,183.2)	(2,081.7)
Charges related to unit-linked contracts		(958.6)	(429.9)
Financing costs	*25*	(41.0)	(39.6)
Change in impairments	*26*	(3.8)	(5.1)
Change in provisions	*16*	0.4	(0.6)
Fee and commission expenses		(330.8)	(329.2)
Staff expenses		(213.2)	(205.0)
Other expenses		(240.4)	(224.9)
Total expenses		**(3,970.6)**	**(3,316.0)**
Result before taxation		**330.2**	**112.1**
Tax income (expenses)		(43.9)	(39.3)
Net result for the period		**286.3**	**72.8**
Attributable to non-controlling interests		44.9	42.7
Net result attributable to shareholders		**241.4**	**30.1**
Per share data (EUR)			
Basic earnings per share	*3*	1.10	0.13
Diluted earnings per share	*3*	1.10	0.13

Gross inflow (sum of gross written premiums and premium inflow from investment contracts without discretionary participation features) can be calculated as below.

	Note	First three months 2015	First three months 2014
Gross premium income		2,486.1	2,346.3
Inflow deposit accounting (directly recognised as liability)		406.5	443.3
Gross inflow	*21*	**2,892.6**	**2,789.6**

Consolidated statement of comprehensive income

	Note	First three months 2015	First three months 2014
Other comprehensive income			
Items that will not be reclassified to the income statement:			
Remeasurement of defined benefit liability		*(24.0)*	*(66.5)*
Related tax		*8.6*	*19.2*
Remeasurement of defined benefit liability		**(16.3)**	**(47.3)**
Total Items that will not be reclassified to the income statement:		**(16.3)**	**(47.3)**
Items that are or may be reclassified to the income statement:			
Change in amortisation of investments held to maturity		*6.0*	*7.8*
Related tax		*(1.5)*	*(2.0)*
Change in investments held to maturity	8	4.5	5.8
Change in revaluation of investments available for sale [1)]		*1,333.2*	*744.1*
Related tax		*(351.6)*	*(217.4)*
Change in revaluation of investments available for sale	8	981.6	526.7
Share of other comprehensive income of associates	10	17.4	26.9
Change in foreign exchange differences		392.2	5.0
Total Items that are or may be reclassified to the income statement:		**1,395.7**	**564.4**
Other comprehensive income for the period		**1,379.4**	**517.1**
Net result for the period		286.3	72.8
Total comprehensive income for the period		**1,665.7**	**589.9**
Net result attributable to non-controlling interests		*44.9*	*42.7*
Other comprehensive income attributable to non-controlling interests		*237.8*	*123.4*
Total comprehensive income attributable to non-controlling interests		**282.7**	**166.1**
Total comprehensive income attributable to shareholders		**1,383.0**	**423.8**

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 2014	**1,727.8**	**2,854.1**	**2,080.4**	**(2.7)**	**569.5**	**1,296.0**	**8,525.1**	**804.9**	**9,330.0**
Net result for the period					30.1		30.1	42.7	72.8
Revaluation of investments						429.7	429.7	129.7	559.4
Remeasurement IAS 19			(41.0)				(41.0)	(6.3)	(47.3)
Foreign exchange differences				5.0			5.0		5.0
Total non-owner changes in equity			(41.0)	5.0	30.1	429.7	423.8	166.1	589.9
Transfer			569.5		(569.5)				
Dividend								(34.2)	(34.2)
Treasury shares			(47.2)				(47.2)		(47.2)
Share-based compensation		0.7					0.7		0.7
Impact written put option on NCI			93.4				93.4	(112.4)	(19.0)
Other changes in equity			4.9			(4.5)	0.4	0.3	0.7
Balance at 31 March 2014	**1,727.8**	**2,854.8**	**2,660.0**	**2.3**	**30.1**	**1,721.2**	**8,996.2**	**824.7**	**9,820.9**
Balance at 1 January 2015	**1,709.4**	**2,796.1**	**2,320.0**	**325.9**	**475.6**	**2,596.3**	**10,223.3**	**688.2**	**10,911.5**
Net result for the period					241.4		241.4	44.9	286.3
Revaluation of investments						764.0	764.0	239.5	1,003.5
Remeasurement IAS 19			(12.1)				(12.1)	(4.2)	(16.3)
Foreign exchange differences				389.7			389.7	2.5	392.2
Total non-owner changes in equity			(12.1)	389.7	241.4	764.0	1,383.0	282.7	1,665.7
Transfer			475.6		(475.6)				
Dividend								(31.9)	(31.9)
Treasury shares			(51.5)				(51.5)		(51.5)
Share-based compensation		0.8					0.8		0.8
Impact written put options on NCI [1)]			427.7				427.7	(254.7)	173.0
Other changes in equity			(1.6)				(1.6)	(0.9)	(2.5)
Balance at 31 March 2015	**1,709.4**	**2,796.9**	**3,158.1**	**715.6**	**241.4**	**3,360.3**	**11,981.7**	**683.4**	**12,665.1**

1. *Relates to the put option on AG insurance shares and the put option on Interparking shares (only in 2015) (see note 17 Liabilities related to written put options NCI).*

Consolidated statement of cash flow

	Note		First three months 2015		First three months 2014
Cash and cash equivalents as at 1 January	7		**2,516.3**		**2,156.6**
Result before taxation			330.2		112.1
Adjustments to non-cash items included in result before taxation:					
Remeasurement RPN(I)	15	(35.6)		103.7	
Result on sales and revaluations	23	(55.5)		(78.3)	
Share of results in associates		(72.7)		(36.2)	
Depreciation, amortisation and accretion		216.5		190.1	
Impairments	26	3.8		5.1	
Provisions	16	0.3		0.6	
Share-based compensation expense		0.8		0.7	
Total adjustment to non-cash items included in result before taxation			*57.6*		*185.7*
Changes in operating assets and liabilities:					
Derivatives held for trading (assets and liabilities)	8	27.5		0.7	
Loans	9	(743.7)		320.3	
Reinsurance and other receivables		(91.6)		(94.7)	
Investments related to unit-linked contracts		(1,067.6)		(401.7)	
Borrowings	13	192.2		41.2	
Liabilities arising from insurance and investment contracts	11.1 & 11.2	61.1		942.7	
Liabilities related to unit-linked contracts	11.3	1,024.5		407.5	
Net changes in all other operational assets and liabilities		105.0		(417.4)	
Dividend received from associates		2.7		2.8	
Income tax paid		(18.8)		(31.4)	
Total changes in operating assets and liabilities			*(508.7)*		*770.0*
Cash flow from operating activities			**(120.9)**		**1,067.8**
Purchases of financial investments		(2,326.0)		(3,537.8)	
Proceeds from sales and redemptions of financial investments		2,692.8		3,372.8	
Purchases of investment property		(7.4)		(15.3)	
Proceeds from sales of investment property		12.7		10.4	
Purchases of property, plant and equipment		(15.7)		(32.6)	
Proceeds from sales of property, plant and equipment		0.6		2.1	
Acquisition of subsidiaries and associates (including capital increases in associates)	2	(93.2)		(0.7)	
Divestments of subsidiaries and associates (including capital repayments of associates)	2	2.0			
Purchases of intangible assets		(3.1)		(3.3)	
Proceeds from sales of intangible assets		0.7		3.4	
Cash flow from investing activities			**263.4**		**(201.0)**
Redemption of debt certificates	4 & 13			(35.0)	
Proceeds from the issuance of subordinated liabilities	12	395.0			
Redemption of subordinated liabilities	12	(154.9)			
Proceeds from the issuance of other borrowings	13	10.0		1.4	
Payment of other borrowings		(10.0)		(2.5)	
Purchases of treasury shares	3 & 4	(51.5)		(47.2)	
Dividends paid to non-controlling interests	4	(31.9)		(2.3)	
Cash flow from financing activities			**156.7**		**(85.6)**
Effect of exchange rate differences on cash and cash equivalents			*32.0*		*1.9*
Cash and cash equivalents as at 31 March	7		**2,847.5**		**2,939.7**
Supplementary disclosure of operating cash flow information					
Interest received	22	1,017.5		991.7	
Dividend received from financial investments	22	15.9		13.6	
Interest paid	25	(45.8)		(38.0)	

GENERAL NOTES

1 Summary of accounting policies

The Ageas Consolidated Interim Financial Statements for the first three months of 2015 comply with International Financial Reporting Standards (IFRS) as at 1 January 2015, as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU) as at that date.

1.1 Basis of accounting

The accounting policies are consistent with those applied for the year ended 31 December 2014. Amended IFRS effective on 1 January 2015 with importance for Ageas (and endorsed by the EU) are listed in paragraph 1.2. The accounting policies mentioned here are a summary of the complete Ageas accounting policies, which can be found on:
https://www.ageas.com/en/about-us/supervision-audit-and-accounting-policies.

The Ageas Consolidated Interim Financial Statements are prepared on a going concern basis and are presented in euros, which is the functional currency of the parent company of Ageas.

Assets and liabilities recorded in the statement of financial position of Ageas have usually a duration of more than 12 months, except for cash and cash equivalents, reinsurance and other receivables, accrued interest and other assets, accrued interest and other liabilities and current tax assets and liabilities.

The most significant IFRS for the measurement of assets and liabilities as applied by Ageas are:

- IAS 1 for presentation of financial statements;
- IAS 16 for property, plant and equipment;
- IAS 19 for employee benefits;
- IAS 23 for loans;
- IAS 28 for investments in associates;
- IAS 32 for written put options on non-controlling interests;
- IAS 36 for the impairment of assets;
- IAS 38 for intangible assets;
- IAS 39 for financial instruments;
- IAS 40 for investment property;
- IFRS 3 for business combinations;
- IFRS 4 for the measurement of insurance contracts;
- IFRS 7 for the disclosures of financial instruments;
- IFRS 8 for operating segments;
- IFRS 10 for consolidated financial statements;
- IFRS 12 for disclosure of interests in other entities;
- IFRS 13 for fair value measurements.

1.2 Changes in accounting policies

The following new or revised standards, interpretations and amendments to standards and interpretations have become effective on 1 January 2015 (and are endorsed by the EU).

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

Improvements to IFRSs (2010-2012 cycle)

The topics addressed by the improvement project 2010-2012 are:

- IFRS 2 Share-based Payment: Definition of vesting condition;
- IFRS 3 Business Combinations: Accounting for contingent consideration in a business combination;
- IFRS 8 Operating Segments: Aggregation of operating segments and reconciliation of the total of the reportable segments' assets to the entity's assets;
- IFRS 13 Fair Value Measurement: Short-term receivables and payables;
- IAS 16 Property, Plant and Equipment: Revaluation method—proportionate restatement of accumulated depreciation;
- IAS 24 Related Party Disclosures: Key management personnel;
- IAS 38 Intangible Assets: Revaluation method—proportionate restatement of accumulated amortization.

The impact of these IFRS amendments on our financial statements is limited.

Improvements to IFRSs (2011-2013 cycle)

The topics addressed by the improvement project 2011-2013 are:

- IFRS 1 First-time Adoption of International Financial Reporting Standards: Meaning of ‘effective IFRSs’;
- IFRS 3 Business Combinations: Scope exceptions for joint ventures;
- IFRS 13 Fair Value Measurement: Scope of paragraph 52 (portfolio exception);
- IAS 40 Investment Property: Clarifying the interrelationship between IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

The impact of these IFRS amendments on our financial statements is limited.

Upcoming changes in IFRS EU in 2016

There will not be any new standards that will become effective for Ageas as at 1 January 2016 that will have a material impact on Shareholders’ equity and/or Net result.

1.3 Accounting estimates

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

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

31 March 2015

Assets	**Estimation uncertainty**
Available for sale securities	
Financial instruments	
- Level 2	- The valuation model - Inactive markets
- Level 3	- The valuation model - Use of non market observable input - Inactive markets
Investment property	- Determination of the useful life and residual value
Loans	- The valuation model - Parameters such as credit spread, maturity and interest rates
Associates	- Various uncertainties depending on the asset mix, operations and market developments
Goodwill	- The valuation model used - Financial and economic variables - Discount rate - The inherent risk premium of the entity
Other intangible assets	- 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 - Yield curve used in liability adequacy test
- Non-life	- Liabilities for (incurred but not reported) claims - Claim adjustment expenses - Final settlement of outstanding claims
Pension obligations	- Actuarial assumptions - Discount rate - Inflation/salaries
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

Operating segments

Ageas' reportable operating segments are based on geographical regions; the results are based on IFRS. The regional split is based on the fact that the activities in these regions share the same nature and economic characteristics and are managed as such.

The operating segments are:

- 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 financing and other holding activities. In addition, the General Account also includes the investment in Royal Park Investments, the liabilities related to CASHES/RPN(I), the written put option on NCI, and the claims and litigations related to events from the past.

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

1.5 Consolidation principles

Subsidiaries

The Ageas Consolidated Interim Financial Statements include those of ageas SA/NV (the 'parent company') and her subsidiaries. Investments in associates over which Ageas has significant influence, but which it does not control are accounted for using the equity method.

1.6 Foreign currency

The following table shows the exchange rates of the most relevant currencies for Ageas.

	Rates at end of period		Average rates	
1 euro =	31 March 2015	31 December 2014	First three months 2015	First three months 2014
Pound sterling	0.73	0.78	0.74	0.83
US dollar	1.08	1.21	1.13	1.37
Hong Kong dollar	8.34	9.42	8.73	10.63
Turkey lira	2.81	2.83	2.77	3.04
China yuan renminbi	6.67	7.54	7.02	8.36
Malaysia ringgit	3.99	4.25	4.08	4.52
Thailand baht	35.02	39.91	36.77	44.72

2 Acquisitions and disposals

The following significant acquisitions and disposals were made in 2015 and 2014. Details on acquisitions and disposals, if any, which took place after the date of the statement of financial position, are included in note 28 Events after the date of the statement of financial position.

2.1 Acquisitions and disposals in 2015

AG Insurance acquired for EUR 86.7 million a stake of 36% in an equity associate named Spitfire which comprises 23 retail warehouse parks in Germany and some other minor acquisitions for a total amount of EUR 9 million.

There were no material disposals during the first three months of 2015.

2.2 Acquisitions in 2014

UBI Assicurazioni

On 5 August 2014, Ageas and BNP Paribas Cardif reached an agreement with UBI Banca to acquire the remaining 50% – 1 share in the share capital of UBI Assicurazioni (UBIA), for a total amount of EUR 75 million plus additional commissions subject to a closing adjustment.

UBIA is one of the leading Non-life bancassurance players in the Italian market. This transaction completes the 2009 joint acquisition of the majority stake in UBIA.

The transaction was closed at year-end 2014. Ageas paid EUR 46 million to acquire the additional 25%. Since Ageas already controlled UBI Assicurazioni the acquisition did not result in any purchase accounting, however, the acquisition resulted in a decrease of Ageas' shareholders equity of EUR 40 million due to the fact that the purchase consideration including the fair value of the additional commissions was above the net asset value.

BNP Paribas Cardif and Ageas jointly own 100% of UBIA with Ageas holding 50% + 1 share and BNP Paribas Cardif 50% - 1 share. Both shareholders agreed to further expand UBIA's activities in Italy, in order to continue the development of Non-life insurance products and services, including car and household insurance. At the same time, UBI Banca has agreed to renew and extend its long term distribution agreement with UBIA. UBI Assicurazioni has been renamed Cargeas Assicurazioni.

Médis and Ocidental Seguros

MBCP Ageas, the joint venture with Banco Comercial Português (BCP) owned for 51% by Ageas, has dividended out its shares in the Non-life companies to its two shareholders together with a capital distribution of EUR 225 million. Ageas has taken full ownership of these Portuguese Non-life activities by acquiring MBCP's 49% stake on 30 June 2014 for an amount of EUR 126 million. The transaction includes a one-off price adjustment after 4 years to reflect actual versus projected commercial performance through the MBCP network.

In accordance with IFRS, Ageas did not recognise goodwill on this transaction since Ageas already controlled these companies. The difference between the acquisition price and the book value of the assets and liabilities amounting to EUR 72.4 million has been deducted from Shareholders' equity.

Other acquisitions

On 2 April 2014, Ageas France acquired an additional stake of 16% in equity associate Sicavonline. Due to this acquisition, the Ageas-share in Sicavonline became 65% and Ageas gained control over Sicavonline. As of this date, Sicavonline is therefore fully consolidated within the Ageas consolidation scope. The amounts relating to this transaction were relatively small. The total Goodwill recognised amounted to EUR 9.9 million. A EUR 1.1 million gain was recognised on the derecognition of the equity associate when control was established and the entity was fully consolidated.

On 15 April 2014, AG Insurance acquired Kievit, a group of real estate companies, for an amount of EUR 145.1 million. In December 2014, AG Insurance acquired Sofa invest, a real estate entity, for an amount of EUR 48.7 million.

2.3 Disposals in 2014

Interparking

On 18 July 2014, AG Real Estate, the majority (90%) shareholder of Interparking, signed an agreement with CPP Investment Board European Holdings S.àr.l (CPPIBEH), a wholly-owned subsidiary of Canada Pension Plan Investment Board (CPPIB), to sell CPPIBEH a 39% stake in Interparking.

The parties have agreed on a purchase price of EUR 380 million for the 39% share, based on a 2013 EBITDA valuation multiple of around 13.

The transaction was closed in November 2014. AG Insurance has retained control of Interparking. Because of this control, the net capital gain of EUR 138 million realised on this transaction has directly been accounted for in shareholders' equity.

At the same time, AG Real Estate granted an unconditional put option on its 10.05% ownership to Parkimo, the present minority shareholder of Interparking. The put option has been measured at the fair value of the expected settlement amount (EUR 88 million) and the resulting liability is classified under the heading 'Liabilities related to written put options on NCI' in the Statement of financial position. As a result of this reclassification, non-controlling interests decreased with EUR 69 million and shareholders' equity decreased with EUR 19 million.

Ageas Protect

As per 31 December 2014, Ageas completed the sale of its 100% shareholding in Ageas Protect Limited (its Life Protection company in the UK) to AIG for a total consideration of GBP 197 million (EUR 253 million). The sale of the UK Life activities generated a net gain of EUR 33 million, including interest. This capital gain is included in the Income Statement in the line Result on sales and revaluations.

The impact of the sale of Ageas Protect on Ageas' Consolidated statement of financial position at the date of the sale was as follows.

Assets		Liabilities	
Cash & cash equivalents	38	Liabilities arising from insurance and investment contracts	394
Financial investments and loans	114	Current and deferred tax liabilities	11
Reinsurance and other receivables	436	Accrued interest and other liabilities	166
Accrued income and other assets	154		
		Total liabilities	**571**
		Equity	171
Total assets	**742**	**Total liabilities and equity**	**742**

Louvresse development

On 23 July 2014, AG Real Estate concluded the sale of 80% of Campus Cristal (Louvresse development) resulting in a capital gain of EUR 77 million (see note 23 Result on sales and revaluations). The remaining 20% is reported as equity associate.

3 Outstanding shares and earnings per share

The following table shows the number of outstanding shares.

in thousands	Shares issued	Treasury shares	Shares outstanding
Number of shares as at 1 January 2014	**233,486**	**(7,052)**	**226,434**
Cancelled shares	(2,490)	2,490	
Balance (acquired)/sold		(7,071)	(7,071)
Number of shares as at 31 December 2014	**230,996**	**(11,633)**	**219,363**
Balance (acquired)/sold		(1,662)	(1,662)
Number of shares as at 31 March 2015	**230,996**	**(13,295)**	**217,701**

3.1 Shares issued and potential number of shares

In accordance with the provisions regulating ageas SA/NV, to the extent law permits, and in the interest of the Company the Board of Ageas was authorized for a period of three years (2015-2017) by the General Shareholders' meeting of 29 April 2015 to increase the share capital with a maximum amount of EUR 162,800,000 for general purposes.

Applied to a fraction value of EUR 7.40 this enables the issuance of up to 22,000,000 shares, representing approximately 10% of the total current share capital of the Company. This authorisation also enables the Company to meet its obligations entered into in the context of the issue of the financial instruments. 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 27 Contingent liabilities).

Ageas has issued options or instruments containing option features, which could, upon exercise, lead to an increase in the number of outstanding shares.

The table below gives and overview of the shares issued and the potential number of shares issued as at 29 April 2015, after the General Shareholders' meeting.

in thousands	
Number of shares issued as at 31 March 2015	**230,996**
Number of shares cancelled per Shareholders' meeting of 29 April 2015	(7,218)
Shares that may be issued per Shareholders' meeting of 29 April 2015	22,000
In connection with option plans	1,730
Total potential number of shares as at 29 April 2015	**247,508**

The number of shares issued includes shares that relate to the convertible instrument FRESH (4.0 million). The FRESH is a financial instrument that was issued in 2002 by Ageasfinlux SA. One of the features of this instrument is that it can only be redeemed through conversion into 4.0 million Ageas shares. Ageasfinlux SA has acquired all necessary Ageas shares to redeem the FRESH (consequently they are included in the number of Ageas shares outstanding). However, Ageasfinlux SA and Ageas have agreed that these shares will not receive dividend nor will they have voting rights as long as these shares are pledged to the FRESH. As Ageasfinlux SA is part of Ageas group, the shares related to the FRESH are treated as treasury shares (see hereafter) and eliminated against shareholders' equity (see note 12 Subordinated liabilities).

Treasury shares

Treasury shares are issued ordinary shares which are bought back by Ageas. The shares are deducted from Shareholders' equity and reported in Other reserves.

The total number of treasury shares (13.3 million) consists of shares held for the FRESH (4.0 million), the restricted share program (0.4 million) and the remaining shares resulting from the share buyback program (8.9 million, see below). Details of the FRESH securities are provided in note 12 Subordinated liabilities.

Share buyback programme 2014

Ageas announced on 6 August 2014 a new share buy-back program as of 11 August 2014 up to 31 July 2015 for an amount of EUR 250 million.

Between 6 August 2014 and 31 March 2015, Ageas bought back 4,856,667 shares for a total amount of EUR 135.8 million. This corresponds to 2.10% of the total shares outstanding.

The General Shareholders' meeting of 29 April 2015 approved to cancel 3,194,473 own shares which were bought back until 31 December 2014.

Share buyback programme 2013

Ageas announced on 2 Augustus 2013 that, based on the shareholder authorisation granted at the end of April 2013, the Board of Directors decided to initiate a share buy-back programme of its outstanding common stock for an amount of EUR 200 million.

Ageas completed on Friday 1 August 2014 the share buy-back program announced on 2 August 2013. Between 12 August 2013 and 1 August 2014, Ageas has bought back 6,513,207 shares corresponding to 2.82% of the total shares outstanding and totalling EUR 200 million.

The General Shareholders' meeting of 30 April 2014 approved to cancel 2,489,921 own shares. At 29 April 2015, the General Shareholders' meeting approved to cancel the remaining 4,023,286 own shares.

3.2 Shares entitled to dividend and voting rights

The table below gives an overview of the shares entitled to dividend and voting rights as at 31 March 2015.

in thousands

Number of shares issued as at 31 March 2015	**230,996**
Shares not entitled to dividend and voting rights:	
Shares held by ageas SA/NV	9,280
Shares related to the FRESH (see Note 12)	3,968
Shares related to CASHES (see Note 27)	4,644
Shares entitled to voting rights and dividend	**213,104**

BNP Paribas Fortis SA/NV (the former 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 into 12.5 million Ageas shares.

BNP Paribas Fortis SA/NV acquired all necessary Ageas shares to redeem the CASHES (consequently they are included in the number of shares outstanding of Ageas). The shares held by BNP Paribas Fortis SA/NV related to the CASHES are not entitled to dividend nor do these have voting rights (see note 12 Subordinated liabilities and note 27 Contingent liabilities).

In 2012, BNP made a (partially successful) cash tender on the CASHES. On 6 February 2012, BNP Paribas Fortis SA/NV converted 7,553 of the tendered CASHES securities out of 12,000 CASHES securities outstanding (62.9%) into 7.9 million Ageas shares. At this moment, 4.6 million Ageas shares related to the CASHES are still held by BNP Paribas Fortis SA/NV.

3.3 Return on equity

Ageas calculates Return on equity on the basis of an annualised 12-months result and the net average equity of the beginning and the end of the period. The Return on equity for the first three months of 2015 and 2014 is as follows.

	First three months 2015	First three months 2014
Return on equity Ageas group	8.7%	1.4%
Return on equity Insurance	8.0%	7.4%

3.4 Earnings per share

The following table details the calculation of earnings per share.

	First three months 2015	First three months 2014
Net result attributable to shareholders	241.4	30.1
Amortisation of costs of restricted shares	0.8	0.7
Net result used to determine diluted earnings per share	**242.2**	**30.8**
Weighted average number of ordinary shares for basic earnings per share (in thousands)	218,471	225,765
Adjustments for:		
- restricted shares (in thousands) expected to be awarded	563	512
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	**219,034**	**226,277**
Basic earnings per share (in euro per share)	1.10	0.13
Diluted earnings per share (in euro per share)	1.10	0.13

In the first three months of 2015, weighted average options on 1,738,337 shares (first three months of 2014: 2,064,018) with a weighted average exercise price of EUR 21.89 per share (first three months of 2014: EUR 20.75 per share) 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 2015 and 2014, 4.0 million 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 4.64 million (31 December 2014: 4.64 million) issued in relation to CASHES are included in the ordinary shares although they are not entitled to dividend nor do they have voting rights (see also note 27 Contingent Liabilities).

4 Regulatory supervision and solvency

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.

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

	31 March 2015	31 December 2014
Share capital and reserves	8,380.0	7,151.4
Net result attributable to shareholders	241.4	475.6
Unrealised gains and losses	3,360.3	2,596.3
Shareholders' equity	11,981.7	10,223.3
Non-controlling interests	683.4	688.2
Total equity	12,665.1	10,911.5
Subordinated liabilities	2,385.5	2,086.3
Prudential filters		
Local required equalisation reserves for catastrophes	(245.2)	(240.7)
Revaluation of investment property, net of tax (at 90%)	798.8	792.5
Adjustment valuation of available for sale investments	(3,716.3)	(2,869.3)
Cash flow hedge	34.0	(20.9)
Goodwill	(963.5)	(911.0)
Other intangible assets	(374.9)	(381.6)
Proposed dividend	(539.7)	(518.8)
Limitation subordinated debt to 50% of required solvency	(214.6)	
Regulatory capital	**9,829.2**	**8,848.0**
Solvency ratio's		
Solvency requirements	4,341.8	4,218.3
Solvency excess	5,487.4	4,629.7
Solvency ratio	226.4%	209.8%

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.

Ageas targets a minimum aggregate solvency I capital ratio of 200% of the minimum solvency requirements at the total Insurance level. Ageas is in the process of formulating capital targets for its Insurance operations under Solvency II.

The General Account comprises the group functions, financing transactions (net of on-lending), as well as so-called legacy issues. At General Account level, Ageas accepts a negative capital position, indicating that some leverage is applied. This leverage can be created by virtue of the existence of the RPN(I) and the AG put option. The RPN(I) represents permanent funding without any repayment commitment, while the AG put option has loss absorbing characteristics (see note 17 Liabilities related to written put options NCI).

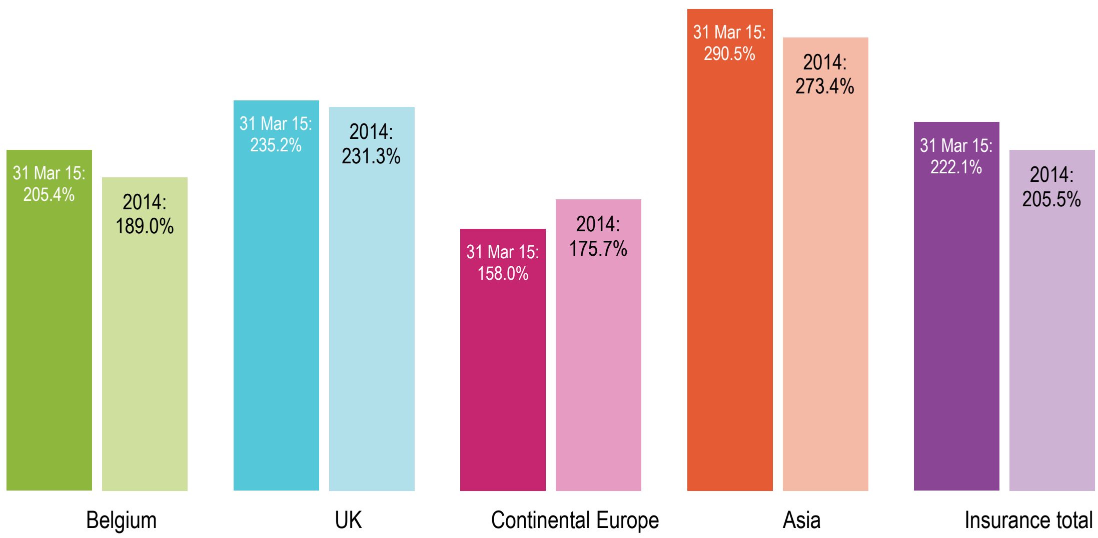
Capital position Insurance

At 31 March 2015, the total available capital of the insurance operations stood at EUR 9.6 billion (31 December 2014: EUR 8.7 billion), 222.1% of the required minimum (31 December 2014: 205.5%).

31 March 2015	Belgium	UK	Continental Europe	Asia	Consolidation Adjustments	Insurance total	General (incl. elim)	Total Ageas
Total available capital	5,179.9	920.2	980.2	2,345.8	218.9	9,645.0	184.2	9,829.2
Minimum solvency requirements	2,522.4	391.3	620.5	807.6		4,341.8		4,341.8
Amount of total capital above minimum	2,657.5	528.9	359.7	1,538.2	218.9	5,303.2	184.2	5,487.4
Total solvency ratio	205.4%	235.2%	158.0%	290.5%		222.1%		226.4%

31 December 2014	Belgium	UK	Continental Europe	Asia	Consolidation Adjustments	Insurance total	General (incl. elim)	Total Ageas
Total available capital	4,755.7	845.2	1,060.9	2,004.5	2.7	8,669.0	179.0	8,848.0
Minimum solvency requirements	2,515.8	365.4	603.9	733.2		4,218.3		4,218.3
Amount of total capital above minimum	2,239.9	479.8	457.0	1,271.3	2.7	4,450.7	179.0	4,629.7
Total solvency ratio	189.0%	231.3%	175.7%	273.4%		205.5%		209.8%

The solvency calculation as at 31 March 2015 takes into consideration the dividends approved by the respective Boards prior to the date of the financial statements. The solvency position per Insurance segment and for Insurance total can graphically be shown as follows.



5 Related parties

Parties related to Ageas include associates, pension funds, Board members (i.e. non-executive and executive members of the Ageas Board of Directors), Executive Managers, close family members of any individual referred to above, entities controlled or significantly influenced by any individual referred to above and other related entities. Ageas frequently enters into transactions with related parties in the course of its business operations. Such transactions mainly concern loans, deposits and reinsurance contracts and are entered into under the same commercial and market terms that apply to non-related parties.

Ageas companies may grant credits, loans or guarantees in the normal course of business to Board members and Executive Managers or to close family members of the Board members or close family members of Executive Managers.

As at 31 March 2015, no outstanding loans, credits or bank guarantees have been granted to Board members and Executive Managers or to close family members of the Board members and close family members of Executive Managers.

Except for a partial reimbursement of USD 23 million on the bridge loan to EBNB 70 Pine Development, there were compared to year-end 2014 no changes in the related party transactions.

6 Information on operating segments

6.1 General information

Ageas has an organisational structure based on an Executive Committee and a Management Committee consisting of the ExCo, the Chief Operating Officer, the Chief Executive Officers of the four geographical regions and the Group Risk Officer.

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' segment reporting based on IFRS 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' 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.

6.2 Belgium

The Belgian insurance activities, operating under the name of AG Insurance, have a longstanding history. The company serves approximately 3.5 million customers and its premium income amounts on an annual basis to around EUR 6 billion in 2014. Some 68% 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 3,500 independent brokers and via the bank channels of BNP Paribas Fortis SA/NV 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 SA/NV owns 25% of AG Insurance.

6.3 United Kingdom (UK)

Ageas' business in the UK is a leading national provider of Non-life insurance solutions. The UK business has a strong presence in the Personal lines market and is continuing to expand its Commercial lines proposition. 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 Ageas 50 (former 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.

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. Other Insurance includes the results of its retail operations and UK head offices costs.

As a result of the sale of the Life activities in the UK (Ageas Protect) at year-end 2014 (see also note 2 Acquisitions and disposals), the UK does not report anymore in the Life segment as from 2015.

6.4 Continental Europe

Continental Europe consists of the insurance activities of Ageas in Europe, excluding Belgium and the United Kingdom. Active in five markets: 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.

In 2015, about 80% of total inflows were Life related and 20% Non-life.

6.5 Asia

Ageas is active in a number of countries in Asia with its regional office and the fully-owned subsidiary both based 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 equity associates.

6.6 General Account

The General Account comprises activities not related to the core Insurance business, such as group financing and other holding activities. In addition, the General Account also includes the investment in Royal Park Investments, the liabilities related to CASHES/RPN(I) and the written put option on AG Insurance.

6.7 Statement of financial position by operating segment

31 March 2015	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total
Assets							
Cash and cash equivalents	1,270.0	134.5	512.9	221.1	709.0		2,847.5
Financial investments	56,553.9	2,705.7	8,775.4	2,422.2	340.9	(11.5)	70,786.6
Investment property	2,582.2	15.0	19.5				2,616.7
Loans	5,742.8	80.0	40.1	248.9	1,844.9	(1,125.6)	6,831.1
Investments related to unit-linked contracts	7,229.8		7,709.7	1,023.5		(22.3)	15,940.7
Investments in associates	439.8	105.9	277.5	1,717.6	59.0	7.5	2,607.3
Reinsurance and other receivables	821.4	932.8	252.0	91.3	39.1	(4.3)	2,132.3
Current tax assets	6.8	2.7	2.4				11.9
Deferred tax assets	23.8	40.4	39.8				104.0
Accrued interest and other assets	1,109.4	307.1	212.2	580.9	156.2	(140.7)	2,225.1
Property, plant and equipment	1,046.4	68.8	6.3	6.1	0.8		1,128.4
Goodwill and other intangible assets	375.3	289.1	426.7	452.3			1,543.4
Total assets	**77,201.6**	**4,682.0**	**18,274.5**	**6,763.9**	**3,149.9**	**(1,296.9)**	**108,775.0**
Liabilities							
Liabilities arising from Life insurance contracts	24,749.2		3,269.0	2,235.2		(4.8)	30,248.6
Liabilities arising from Life investment contracts	26,602.7		4,310.2	0.9			30,913.8
Liabilities related to unit-linked contracts	7,229.8		7,708.2	1,023.4			15,961.4
Liabilities arising from Non-life insurance contracts	3,862.3	2,845.2	754.1				7,461.6
Debt certificates					2.1		2.1
Subordinated liabilities	1,446.0	136.9	178.0		1,344.9	(720.3)	2,385.5
Borrowings	2,140.6	197.3	27.3	600.0	195.2	(427.6)	2,732.8
Current tax liabilities	76.7	8.4	40.4	13.1			138.6
Deferred tax liabilities	1,732.1	0.4	41.7		3.0		1,777.2
RPN(I)					431.4		431.4
Accrued interest and other liabilities	1,735.7	254.3	433.6	164.1	116.7	(133.2)	2,571.2
Provisions	22.6	1.4	10.3		137.9		172.2
Liabilities related to written put options on NCI	95.5				1,218.0		1,313.5
Total liabilities	**69,693.2**	**3,443.9**	**16,772.8**	**4,036.7**	**3,449.2**	**(1,285.9)**	**96,109.9**
Shareholders' equity	5,452.1	1,238.1	1,073.3	2,727.2	1,502.0	(11.0)	11,981.7
Non-controlling interests	2,056.3		428.4		(1,801.3)		683.4
Total equity	**7,508.4**	**1,238.1**	**1,501.7**	**2,727.2**	**(299.3)**	**(11.0)**	**12,665.1**
Total liabilities and equity	**77,201.6**	**4,682.0**	**18,274.5**	**6,763.9**	**3,149.9**	**(1,296.9)**	**108,775.0**
Number of employees	**6,110**	**4,760**	**923**	**439**	**121**		**12,353**

31 December 2014	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total
Assets							
Cash and cash equivalents	798.7	215.7	397.8	134.5	969.6		2,516.3
Financial investments	54,840.3	2,507.3	8,404.6	2,089.9	343.8	(11.1)	68,174.8
Investment property	2,607.6	14.2	19.5				2,641.3
Loans	5,269.3	52.5	37.5	221.7	1,814.9	(1,327.6)	6,068.3
Investments related to unit-linked contracts	6,713.3		7,246.0	871.9		(72.3)	14,758.9
Investments in associates	342.2	98.4	266.8	1,458.6	48.3	7.0	2,221.3
Reinsurance and other receivables	789.1	849.1	271.1	85.7	3.7	(7.0)	1,991.7
Current tax assets	8.9	1.4	1.5				11.8
Deferred tax assets	24.6	37.7	44.1				106.4
Accrued interest and other assets	1,445.2	287.3	229.2	483.9	150.8	(136.2)	2,460.2
Property, plant and equipment	1,040.4	65.9	6.3	6.0	0.8		1,119.4
Goodwill and other intangible assets	382.3	270.0	431.5	404.8			1,488.6
Total assets	**74,261.9**	**4,399.5**	**17,355.9**	**5,757.0**	**3,331.9**	**(1,547.2)**	**103,559.0**
Liabilities							
Liabilities arising from Life insurance contracts	24,422.7		3,114.7	1,887.1		(4.8)	29,419.7
Liabilities arising from Life investment contracts	26,448.9		4,120.0	0.8			30,569.7
Liabilities related to unit-linked contracts	6,713.3		7,243.7	872.0			14,829.0
Liabilities arising from Non-life insurance contracts	3,710.1	2,691.4	746.1				7,147.6
Debt certificates					2.2		2.2
Subordinated liabilities	1,233.1	127.8	178.0		1,549.1	(1,001.7)	2,086.3
Borrowings	1,978.1	201.4	23.1	506.1	172.9	(398.1)	2,483.5
Current tax liabilities	37.3	7.7	28.8	10.7	0.3		84.8
Deferred tax liabilities	1,418.0	0.4	43.5		1.7		1,463.6
RPN(I)					467.0		467.0
Accrued interest and other liabilities	1,697.2	242.5	366.5	154.9	107.4	(131.6)	2,436.9
Provisions	20.2	1.4	10.3		139.5		171.4
Liabilities related to written put options on NCI	94.8				1,391.0		1,485.8
Total liabilities	**67,773.7**	**3,272.6**	**15,874.7**	**3,431.6**	**3,831.1**	**(1,536.2)**	**92,647.5**
Shareholders' equity	4,688.1	1,126.9	1,046.6	2,325.4	1,047.3	(11.0)	10,223.3
Non-controlling interests	1,800.1		434.6		(1,546.5)		688.2
Total equity	**6,488.2**	**1,126.9**	**1,481.2**	**2,325.4**	**(499.2)**	**(11.0)**	**10,911.5**
Total liabilities and equity	**74,261.9**	**4,399.5**	**17,355.9**	**5,757.0**	**3,331.9**	**(1,547.2)**	**103,559.0**
Number of employees	**6,117**	**4,626**	**905**	**437**	**119**		**12,204**

6.8 Income statement by operating segment

First three months 2015	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total
Income							
- *Gross premium income*	*1,408.7*	*435.4*	*556.5*	*85.6*		*(0.1)*	*2,486.1*
- *Change in unearned premiums*	*(117.2)*	*16.8*	*(7.5)*				*(107.9)*
- *Ceded earned premiums*	*(18.7)*	*(30.3)*	*(24.5)*	*(7.5)*			*(81.0)*
Net earned premiums	1,272.8	421.9	524.5	78.1		(0.1)	2,297.2
Interest, dividend and other investment income	625.9	17.3	58.7	31.9	15.9	(16.4)	733.3
Unrealised gain (loss) on RPN(I)					35.6		35.6
Result on sales and revaluations	37.4	2.3	9.1	0.4	6.3		55.5
Income related to investments for unit-linked contracts	527.2		380.9	29.9			938.0
Share of result of associates	0.5	2.0	6.8	47.5	15.9		72.7
Fee and commission income	41.9	31.0	29.7	22.2			*124.8*
Other income	21.9	24.1	0.5	0.3	1.6	(4.7)	43.7
Total income	**2,527.6**	**498.6**	**1,010.2**	**210.3**	**75.3**	**(21.2)**	**4,300.8**
Expenses							
- *Insurance claims and benefits, gross*	*(1,362.3)*	*(288.8)*	*(490.4)*	*(70.1)*			*(2,211.6)*
- *Insurance claims and benefits, ceded*	*5.6*	*13.3*	*6.1*	*3.4*			*28.4*
Insurance claims and benefits, net	(1,356.7)	(275.5)	(484.3)	(66.7)			(2,183.2)
Charges related to unit-linked contracts	(531.4)		(395.6)	(31.6)			(958.6)
Financing costs	(28.1)	(2.6)	(2.6)	(10.8)	(13.3)	16.4	(41.0)
Change in impairments	(1.0)		(2.7)	(0.1)			(3.8)
Change in provisions	0.1	(0.4)	0.2		0.5		0.4
Fee and commission expenses	(177.5)	(90.2)	(37.5)	(25.6)			(330.8)
Staff expenses	(124.1)	(56.0)	(17.2)	(11.3)	(5.1)	0.5	(213.2)
Other expenses	(143.4)	(54.5)	(29.1)	(5.2)	(12.5)	4.3	(240.4)
Total expenses	**(2,362.1)**	**(479.2)**	**(968.8)**	**(151.3)**	**(30.4)**	**21.2**	**(3,970.6)**
Result before taxation	**165.5**	**19.4**	**41.4**	**59.0**	**44.9**		**330.2**
Tax income (expenses)	(34.6)	(3.3)	(3.8)	(1.0)	(1.2)		(43.9)
Net result for the period	**130.9**	**16.1**	**37.6**	**58.0**	**43.7**		**286.3**
Attributable to non-controlling interests	35.9		9.0				44.9
Net result attributable to shareholders	**95.0**	**16.1**	**28.6**	**58.0**	**43.7**		**241.4**
Total income from external customers	2,524.2	488.1	1,010.2	208.3	70.0		4,300.8
Total income internal	3.4	10.5		2.0	5.3	(21.2)	
Total income	**2,527.6**	**498.6**	**1,010.2**	**210.3**	**75.3**	**(21.2)**	**4,300.8**
Non-cash expenses (excl. depreciation & amortisation)	(4.2)		(16.2)	(0.5)			(20.9)

Gross inflow (sum of gross written premiums and premium inflow from investment contracts without discretionary participation features) can be calculated as follows.

First three months 2015	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total
Gross premium income	1,408.7	435.4	556.5	85.6		(0.1)	2,486.1
Inflow deposit accounting	136.5		229.6	40.4			406.5
Gross inflow	**1,545.2**	**435.4**	**786.1**	**126.0**		**(0.1)**	**2,892.6**

First three months 2014	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total
Income							
- *Gross premium income*	*1,523.1*	*454.1*	*306.3*	*62.9*		*(0.1)*	*2,346.3*
- *Change in unearned premiums*	*(121.3)*	*(8.5)*	*(9.6)*				*(139.4)*
- *Ceded earned premiums*	*(19.3)*	*(40.1)*	*(25.4)*	*(5.5)*			*(90.3)*
Net earned premiums	1,382.5	405.5	271.3	57.4		(0.1)	2,116.6
Interest, dividend and other investment income	607.7	16.8	65.5	25.1	15.3	(14.4)	716.0
Unrealised gain (loss) on RPN(I)					(103.7)		(103.7)
Result on sales and revaluations	69.9	1.4	5.6	2.0	(0.6)		78.3
Income related to investments for unit-linked contracts	126.1		300.5	(7.7)			418.9
Share of result of associates	(0.5)	(5.0)	5.9	35.9	(0.1)		36.2
Fee and commission income	34.7	26.4	29.3	16.3			*106.7*
Other income	27.7	32.4	0.4	1.6	0.9	(3.9)	59.1
Total income	**2,248.1**	**477.5**	**678.5**	**130.6**	**(88.2)**	**(18.4)**	**3,428.1**
Expenses							
- *Insurance claims and benefits, gross*	*(1,500.6)*	*(310.9)*	*(264.3)*	*(53.1)*		*0.1*	*(2,128.8)*
- *Insurance claims and benefits, ceded*	*3.7*	*30.7*	*9.9*	*2.8*			*47.1*
Insurance claims and benefits, net	(1,496.9)	(280.2)	(254.4)	(50.3)		0.1	(2,081.7)
Charges related to unit-linked contracts	(135.6)		(300.2)	5.9			(429.9)
Financing costs	(27.7)	(3.0)	(0.3)	(10.2)	(12.7)	14.3	(39.6)
Change in impairments	(4.0)		(1.0)	(0.1)			(5.1)
Change in provisions	(1.2)		0.5		0.1		(0.6)
Fee and commission expenses	(174.5)	(94.7)	(38.7)	(21.3)			(329.2)
Staff expenses	(120.8)	(54.1)	(17.1)	(8.3)	(4.7)		(205.0)
Other expenses	(136.0)	(51.9)	(24.9)	(6.9)	(9.2)	4.0	(224.9)
Total expenses	**(2,096.7)**	**(483.9)**	**(636.1)**	**(91.2)**	**(26.5)**	**18.4**	**(3,316.0)**
Result before taxation	**151.4**	**(6.4)**	**42.4**	**39.4**	**(114.7)**		**112.1**
Tax income (expenses)	(33.8)	0.9	(5.5)	(0.9)			(39.3)
Net result for the period	**117.6**	**(5.5)**	**36.9**	**38.5**	**(114.7)**		**72.8**
Attributable to non-controlling interests	30.2		12.5				42.7
Net result attributable to shareholders	**87.4**	**(5.5)**	**24.4**	**38.5**	**(114.7)**		**30.1**
Total income from external customers	2,234.1	464.2	678.5	128.7	(88.1)		3,417.4
Total income internal	3.3	13.3		1.9	(0.1)	(18.4)	
Total income	**2,237.4**	**477.5**	**678.5**	**130.6**	**(88.2)**	**(18.4)**	**3,417.4**
Non-cash expenses (excl. depreciation & amortisation)	(8.3)		(13.0)	(7.9)			(29.2)

Gross inflow (sum of gross written premiums and premium inflow from investment contracts without discretionary participation features) can be calculated as follows.

First three months 2014	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total
Gross premium income	1,523.1	454.1	306.3	62.9		(0.1)	2,346.3
Inflow deposit accounting	138.7		257.9	46.7			443.3
Gross inflow	**1,661.8**	**454.1**	**564.2**	**109.6**		**(0.1)**	**2,789.6**

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

31 March 2015	Life	Non-life	Other Insurance	General Account	Eliminations	Total
Assets						
Cash and cash equivalents	1,593.7	441.4	103.4	709.0		2,847.5
Financial investments	62,999.4	7,457.6	0.2	340.9	(11.5)	70,786.6
Investment property	2,385.5	231.2				2,616.7
Loans	5,460.3	576.9	129.6	1,844.9	(1,180.6)	6,831.1
Investments related to unit-linked contracts	15,963.0				(22.3)	15,940.7
Investments in associates	2,116.7	424.1		59.0	7.5	2,607.3
Reinsurance and other receivables	579.4	1,294.7	260.1	39.1	(41.0)	2,132.3
Current tax assets	7.3	2.0	2.6			11.9
Deferred tax assets	34.6	63.4	6.0			104.0
Accrued interest and other assets	1,656.4	542.4	29.0	156.2	(158.9)	2,225.1
Property, plant and equipment	948.9	161.7	17.0	0.8		1,128.4
Goodwill and other intangible assets	1,099.9	154.4	289.1			1,543.4
Total assets	**94,845.1**	**11,349.8**	**837.0**	**3,149.9**	**(1,406.8)**	**108,775.0**
Liabilities						
Liabilities arising from Life insurance contracts	30,253.4				(4.8)	30,248.6
Liabilities arising from Life investment contracts	30,913.8					30,913.8
Liabilities related to unit-linked contracts	15,961.4					15,961.4
Liabilities arising from Non-life insurance contracts		7,461.6				7,461.6
Debt certificates				2.1		2.1
Subordinated liabilities	1,431.9	247.1	136.9	1,344.9	(775.3)	2,385.5
Borrowings	2,572.1	196.5	196.6	195.2	(427.6)	2,732.8
Current tax liabilities	94.7	42.1	1.8			138.6
Deferred tax liabilities	1,493.6	280.6		3.0		1,777.2
RPN(I)				431.4		431.4
Accrued interest and other liabilities	1,767.8	716.7	158.1	116.7	(188.1)	2,571.2
Provisions	20.9	13.4		137.9		172.2
Liabilities related to written put options on NCI	83.0	12.5		1,218.0		1,313.5
Total liabilities	**84,592.6**	**8,970.5**	**493.4**	**3,449.2**	**(1,395.8)**	**96,109.9**
Shareholders' equity	8,162.6	1,984.5	343.6	1,502.0	(11.0)	11,981.7
Non-controlling interests	2,089.9	394.8		(1,801.3)		683.4
Total equity	**10,252.5**	**2,379.3**	**343.6**	**(299.3)**	**(11.0)**	**12,665.1**
Total liabilities and equity	**94,845.1**	**11,349.8**	**837.0**	**3,149.9**	**(1,406.8)**	**108,775.0**
Number of employees	**4,185**	**5,515**	**2,532**	**121**		**12,353**

31 December 2014	Life	Non-life	Other Insurance	General Account	Eliminations	Total
Assets						
Cash and cash equivalents	1,024.5	393.2	129.0	969.6		2,516.3
Financial investments	60,724.9	7,116.9	0.3	343.8	(11.1)	68,174.8
Investment property	2,395.7	245.6				2,641.3
Loans	5,057.3	479.8	95.3	1,814.9	(1,379.0)	6,068.3
Investments related to unit-linked contracts	14,831.2				(72.3)	14,758.9
Investments in associates	1,771.6	394.4		48.3	7.0	2,221.3
Reinsurance and other receivables	532.1	1,235.6	248.6	3.7	(28.3)	1,991.7
Current tax assets	8.3	2.2	1.3			11.8
Deferred tax assets	37.6	63.2	5.6			106.4
Accrued interest and other assets	1,959.4	482.8	112.7	150.8	(245.5)	2,460.2
Property, plant and equipment	963.5	138.3	16.8	0.8		1,119.4
Goodwill and other intangible assets	1,070.2	148.4	270.0			1,488.6
Total assets	**90,376.3**	**10,700.4**	**879.6**	**3,331.9**	**(1,729.2)**	**103,559.0**
Liabilities						
Liabilities arising from Life insurance contracts	29,424.5				(4.8)	29,419.7
Liabilities arising from Life investment contracts	30,569.7					30,569.7
Liabilities related to unit-linked contracts	14,829.0					14,829.0
Liabilities arising from Non-life insurance contracts		7,147.6				7,147.6
Debt certificates				2.2		2.2
Subordinated liabilities	1,249.4	213.1	127.8	1,549.1	(1,053.1)	2,086.3
Borrowings	2,348.9	159.1	200.7	172.9	(398.1)	2,483.5
Current tax liabilities	59.2	23.4	1.9	0.3		84.8
Deferred tax liabilities	1,206.8	255.1		1.7		1,463.6
RPN(I)				467.0		467.0
Accrued interest and other liabilities	1,661.9	704.1	225.7	107.4	(262.2)	2,436.9
Provisions	19.4	12.5		139.5		171.4
Liabilities related to written put options on NCI	82.6	12.2		1,391.0		1,485.8
Total liabilities	**81,451.4**	**8,527.1**	**556.1**	**3,831.1**	**(1,718.2)**	**92,647.5**
Shareholders' equity	7,135.1	1,728.4	323.5	1,047.3	(11.0)	10,223.3
Non-controlling interests	1,789.8	444.9		(1,546.5)		688.2
Total equity	**8,924.9**	**2,173.3**	**323.5**	**(499.2)**	**(11.0)**	**10,911.5**
Total liabilities and equity	**90,376.3**	**10,700.4**	**879.6**	**3,331.9**	**(1,729.2)**	**103,559.0**
Number of employees	**4,192**	**5,431**	**2,462**	**119**		**12,204**

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

First three months 2015	Life	Non-life	Other Insurance	General Account	Eliminations	Total
Income						
- *Gross premium income*	*1,334.1*	*1,152.1*			*(0.1)*	*2,486.1*
- *Change in unearned premiums*		*(107.9)*				*(107.9)*
- *Ceded earned premiums*	*(21.4)*	*(59.6)*				*(81.0)*
Net earned premiums	1,312.7	984.6			(0.1)	2,297.2
Interest, dividend and other investment income	660.8	75.8	(2.8)	15.9	(16.4)	733.3
Unrealised gain (loss) on RPN(I)				35.6		35.6
Result on sales and revaluations	48.9		0.3	6.3		55.5
Income related to investments for unit-linked contracts	938.0					938.0
Share of result of associates	51.3	5.5		15.9		72.7
Fee and commission income	88.6	6.1	41.1		(11.0)	124.8
Other income	14.4	14.4	26.1	1.6	(12.8)	43.7
Total income	**3,114.7**	**1,086.4**	**64.7**	**75.3**	**(40.3)**	**4,300.8**
Expenses						
- *Insurance claims and benefits, gross*	*(1,581.3)*	*(630.3)*				*(2,211.6)*
- *Insurance claims and benefits, ceded*	*10.6*	*17.8*				*28.4*
Insurance claims and benefits, net	(1,570.7)	(612.5)				(2,183.2)
Charges related to unit-linked contracts	(958.6)					(958.6)
Financing costs	(37.5)	(4.5)	(2.1)	(13.3)	16.4	(41.0)
Change in impairments	(1.2)	(2.6)				(3.8)
Change in provisions	0.2	(0.3)		0.5		0.4
Fee and commission expenses	(113.5)	(219.5)	(8.8)		11.0	(330.8)
Staff expenses	(98.0)	(82.5)	(28.1)	(5.1)	0.5	(213.2)
Other expenses	(133.5)	(77.7)	(29.1)	(12.5)	12.4	(240.4)
Total expenses	**(2,912.8)**	**(999.6)**	**(68.1)**	**(30.4)**	**40.3**	**(3,970.6)**
Result before taxation	**201.9**	**86.8**	**(3.4)**	**44.9**		**330.2**
Tax income (expenses)	(20.5)	(22.8)	0.6	(1.2)		(43.9)
Net result for the period	**181.4**	**64.0**	**(2.8)**	**43.7**		**286.3**
Attributable to non-controlling interests	33.9	11.0				44.9
Net result attributable to shareholders	**147.5**	**53.0**	**(2.8)**	**43.7**		**241.4**
Total income from external customers	3,106.0	1,084.4	40.4	70.0		4,300.8
Total income internal	8.7	2.0	24.3	5.3	(40.3)	
Total income	**3,114.7**	**1,086.4**	**64.7**	**75.3**	**(40.3)**	**4,300.8**
Non-cash expenses (excl. depreciation & amortisation)	(18.7)	(2.2)				(20.9)

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 2015	Life	Non-life	Other Insurance	General Account	Eliminations	Total
Gross premium income	1,334.1	1,152.1			(0.1)	2,486.1
Inflow deposit accounting	406.5					406.5
Gross inflow	**1,740.6**	**1,152.1**			**(0.1)**	**2,892.6**

First three months 2014	Life	Non-life	Other Insurance	General Account	Eliminations	Total
Income						
- *Gross premium income*	*1,214.4*	*1,132.0*			*(0.1)*	*2,346.3*
- *Change in unearned premiums*		*(139.4)*				*(139.4)*
- *Ceded earned premiums*	*(29.3)*	*(61.0)*				*(90.3)*
Net earned premiums	1,185.1	931.6			(0.1)	2,116.6
Interest, dividend and other investment income	651.0	68.3	(3.1)	15.3	(15.5)	716.0
Unrealised gain (loss) on RPN(I)				(103.7)		(103.7)
Result on sales and revaluations	71.6	7.3		(0.6)		78.3
Income related to investments for unit-linked contracts	418.9					418.9
Share of result of associates	33.4	2.9		(0.1)		36.2
Fee and commission income	74.9	6.5	36.1		(10.8)	106.7
Other income	20.1	15.2	31.6	0.9	(8.7)	59.1
Total income	**2,455.0**	**1,031.8**	**64.6**	**(88.2)**	**(35.1)**	**3,428.1**
Expenses						
- *Insurance claims and benefits, gross*	*(1,463.0)*	*(665.9)*			*0.1*	*(2,128.8)*
- *Insurance claims and benefits, ceded*	*19.8*	*27.3*				*47.1*
Insurance claims and benefits, net	(1,443.2)	(638.6)			0.1	(2,081.7)
Charges related to unit-linked contracts	(429.9)					(429.9)
Financing costs	(36.6)	(2.8)	(2.9)	(12.7)	15.4	(39.6)
Change in impairments	(3.8)	(1.3)				(5.1)
Change in provisions	(0.3)	(0.4)		0.1		(0.6)
Fee and commission expenses	(121.9)	(215.2)	(2.9)		10.8	(329.2)
Staff expenses	(95.6)	(79.2)	(25.5)	(4.7)		(205.0)
Other expenses	(131.2)	(63.9)	(29.4)	(9.2)	8.8	(224.9)
Total expenses	**(2,262.5)**	**(1,001.4)**	**(60.7)**	**(26.5)**	**35.1**	**(3,316.0)**
Result before taxation	**192.5**	**30.4**	**3.9**	**(114.7)**		**112.1**
Tax income (expenses)	(29.3)	(10.6)	0.6			(39.3)
Net result for the period	**163.2**	**19.8**	**4.5**	**(114.7)**		**72.8**
Attributable to non-controlling interests	34.5	8.2				42.7
Net result attributable to shareholders	**128.7**	**11.6**	**4.5**	**(114.7)**		**30.1**
Total income from external customers	2,435.1	1,030.6	26.1	(74.4)		3,417.4
Total income internal	9.2	1.2	38.5	(13.8)	(35.1)	
Total income	**2,444.3**	**1,031.8**	**64.6**	**(88.2)**	**(35.1)**	**3,417.4**
Non-cash expenses (excl. depreciation & amortisation)	(27.6)	(1.6)				(29.2)

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 2014	Life	Non-life	Other Insurance	General Account	Eliminations	Total
Gross premium income	1,214.4	1,132.0			(0.1)	2,346.3
Inflow deposit accounting	443.3					443.3
Gross inflow	**1,657.7**	**1,132.0**			**(0.1)**	**2,789.6**

6.11 Operating result insurance

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

Operating result 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. 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.

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 operating margin for the different segments and lines of business and the reconciliation with profit before taxation are shown below.

First three months 2015	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total Ageas
Gross inflow Life	957.5		657.1	126.0		(0.1)	1,740.5
Gross inflow Non-life	587.7	435.4	129.0				1,152.1
Operating costs	(133.2)	(47.1)	(35.8)	(13.1)			(229.2)
- *Guaranteed products*	*97.9*		*21.1*	*12.1*			*131.1*
- *Unit linked products*	*7.1*		*0.4*	*5.4*			*12.9*
Life operating result	105.0		21.5	17.5			144.0
- *Accident & Health*	*12.2*	*0.5*	*11.7*				*24.4*
- *Motor*	*21.7*	*2.8*	*(1.0)*				*23.5*
- *Fire and other damage to property*	*4.6*	*8.7*	*1.5*				*14.8*
- *Other*	*5.3*	*7.2*	*3.3*				*15.8*
Non-life operating result	43.8	19.2	15.5				78.5
Operating result	**148.8**	**19.2**	**37.0**	**17.5**			**222.5**
Share of result of associates non allocated		2.0	6.8	47.7	16.0		72.5
Other result, including brokerage	16.7	(1.8)	(2.4)	(6.2)	28.9		35.2
Result before taxation	**165.5**	**19.4**	**41.4**	**59.0**	**44.9**		**330.2**
Key performance indicators Life							
Net underwriting margin	0.03 %		0.17 %	2.56 %			0.16 %
Investment margin	0.75 %		0.43 %	(0.01 %)			0.65 %
Operating margin	0.78 %		0.60 %	2.55 %			0.81 %
- Operating margin Guaranteed products	*0.82 %*		*1.05 %*	*2.72 %*			*0.91 %*
- Operating margin Unit linked products	*0.47 %*		*0.02 %*	*2.25 %*			*0.39 %*
Life cost ratio in % of Life technical liabilities (annualised)	0.39 %		0.43 %	1.91 %			0.45 %
Key performance indicators Non Life							
Expense ratio	38.0 %	34.1 %	28.1 %				35.3 %
Claims ratio	57.8 %	65.3 %	60.0 %				61.2 %
Combined ratio	95.8 %	99.4 %	88.1 %				96.5 %
Operating margin	9.6 %	4.6 %	14.2 %				8.0 %
Technical Insurance liabilities	62,444.0	2,845.2	16,041.5	3,259.5		(4.8)	84,585.4

First three months 2014	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total Ageas
Gross inflow Life	1,078.6	31.0	438.5	109.6		(0.1)	1,657.6
Gross inflow Non-life	583.2	423.1	125.7				1,132.0
Operating costs	(129.1)	(51.6)	(35.5)	(11.3)			(227.5)
- *Guaranteed products*	*107.4*	*0.1*	*20.0*	*9.0*			*136.5*
- *Unit linked products*	*3.6*		*3.9*	*(1.5)*			*6.0*
Life operating result	111.0	0.1	23.9	7.5			142.5
- *Accident & Health*	*7.2*	*0.7*	*8.9*				*16.8*
- *Motor*	*14.3*	*7.9*					*22.2*
- *Fire and other damage to property*	*5.7*	*(9.5)*	*(2.1)*				*(5.9)*
- *Other*	*(6.2)*	*(5.6)*	*1.8*				*(10.0)*
Non-life operating result	21.0	(6.5)	8.6				23.1
Operating result	**132.0**	**(6.4)**	**32.5**	**7.5**			**165.6**
Share of result of associates non allocated		(5.0)	6.0	36.4	(0.1)		37.3
Other result, including brokerage	19.4	5.0	3.9	(4.5)	(114.6)		(90.8)
Result before taxation	**151.4**	**(6.4)**	**42.4**	**39.4**	**(114.7)**		**112.1**
Key performance indicators Life							
Net underwriting margin	0.07 %	0.25 %	0.27 %	1.40 %			0.15 %
Investment margin	0.78 %		0.41 %	0.10 %			0.68 %
Operating margin	0.85 %	0.25 %	0.68 %	1.50 %			0.83 %
- Operating margin Guaranteed products	*0.92 %*	*0.25 %*	*1.05 %*	*2.70 %*			*0.97 %*
- Operating margin Unit linked products	*0.26 %*		*0.24 %*	*(0.88 %)*			*0.19 %*
Life cost ratio in % of Life technical liabilities (annualised)	0.38 %	17.01 %	0.43 %	2.26 %			0.48 %
Key performance indicators Non Life							
Expense ratio	37.5 %	33.8 %	29.6 %				35.1 %
Claims ratio	63.9 %	72.3 %	65.2 %				67.5 %
Combined ratio	101.4 %	106.1 %	94.8 %				102.6 %
Operating margin	4.7 %	(1.7 %)	8.6 %				2.5 %
Technical Insurance liabilities	57,643.5	2,748.1	14,989.6	2,015.5		(4.0)	77,392.7

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.

NOTES
TO THE
CONSOLIDATED STATEMENT
OF FINANCIAL POSITION

7 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 2015	31 December 2014
Cash on hand	2.3	2.4
Due from banks	2,574.2	2,295.2
Other	271.0	218.7
Total cash and cash equivalents	**2,847.5**	**2,516.3**

8 Financial investments

The composition of Financial investments is as follows.

	31 March 2015	31 December 2014
Financial investments		
- Held to maturity	4,882.3	4,887.0
- Available for sale	65,847.9	63,294.2
- Held at fair value through profit or loss	187.2	139.8
- Derivatives held for trading	31.0	18.1
Total gross	**70,948.4**	**68,339.1**
Impairments:		
- of investments available for sale	(161.8)	(164.3)
Total impairments	**(161.8)**	**(164.3)**
Total	**70,786.6**	**68,174.8**

8.1 Investments held to maturity

	Government bonds	Corporate debt securities	Total
Investments held to maturity at 1 January 2014	**4,836.9**	**137.5**	**4,974.4**
Maturities	(52.6)	(40.0)	(92.6)
Sales		(26.6)	(26.6)
Amortisation	17.0	3.0	20.0
Reversal of impairments		11.8	11.8
Investments held to maturity at 31 December 2014	**4,801.3**	**85.7**	**4,887.0**
Maturities		(9.9)	(9.9)
Amortisation	4.6	0.6	5.2
Investments held to maturity at 31 March 2015	**4,805.9**	**76.4**	**4,882.3**
Fair value at 31 December 2014	**7,028.6**	**92.7**	**7,121.3**
Fair value at 31 March 2015	**7,744.8**	**83.2**	**7,828.0**

The fair value of Government bonds classified as Investments held to maturity is based on quoted prices in active markets (level 1) and the fair value of Corporate debt securities classified as Investments held to maturity on unobservable inputs (counterparty quotes, level 3).

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 2015	Historical/ amortised cost	Fair value
Belgian national government	4,354.9	7,137.4
Portuguese national government	451.0	607.4
Total	**4,805.9**	**7,744.8**

31 December 2014	Historical/ amortised cost	Fair value
Belgian national government	4,355.7	6,443.5
Portuguese national government	445.6	585.1
Total	**4,801.3**	**7,028.6**

8.2 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 2015	Historical/ amortised cost	Gross unrealised gains	Gross unrealised losses	Total gross	Adjustments from hedge accounting	Impairments	Fair value
Treasury bills	10.0			10.0			10.0
Government bonds	26,441.1	7,742.9	(1.4)	34,182.6	31.2		34,213.8
Corporate debt securities	24,363.7	2,727.1	(35.4)	27,055.4		(20.4)	27,035.0
Structured credit instruments	252.8	15.1	(1.3)	266.6		(0.1)	266.5
Available for sale investments in debt securities	51,067.6	10,485.1	(38.1)	61,514.6	31.2	(20.5)	61,525.3
Private equities and venture capital	69.1	6.1	(0.8)	74.4		(0.1)	74.3
Equity securities	3,388.6	848.1	(11.8)	4,224.9		(141.2)	4,083.7
Other investments	2.8			2.8			2.8
Available for sale investments in equity securities and other investments	3,460.5	854.2	(12.6)	4,302.1		(141.3)	4,160.8
Total investments available for sale	**54,528.1**	**11,339.3**	**(50.7)**	**65,816.7**	**31.2**	**(161.8)**	**65,686.1**

31 December 2014	Historical/ amortised cost	Gross unrealised gains	Gross unrealised losses	Total gross	Adjustments from hedge accounting	Impairments	Fair value
Treasury bills	50.0			50.0			50.0
Government bonds	26,595.9	6,137.3	(0.2)	32,733.0	15.9		32,748.9
Corporate debt securities	23,966.7	2,403.8	(39.7)	26,330.8		(22.1)	26,308.7
Structured credit instruments	288.1	14.9	(1.7)	301.3		(0.1)	301.2
Available for sale investments in debt securities	50,900.7	8,556.0	(41.6)	59,415.1	15.9	(22.2)	59,408.8
Private equities and venture capital	62.0	3.0	(0.5)	64.5		(0.2)	64.3
Equity securities	3,292.0	538.5	(34.5)	3,796.0		(141.9)	3,654.1
Other investments	2.7			2.7			2.7
Available for sale investments in equity securities and other investments	3,356.7	541.5	(35.0)	3,863.2		(142.1)	3,721.1
Total investments available for sale	**54,257.4**	**9,097.5**	**(76.6)**	**63,278.3**	**15.9**	**(164.3)**	**63,129.9**

An amount of EUR 989.3 million of the Investments available for sale has been pledged as collateral (31 December 2014: EUR 1,082.3 million).

The valuation of Investments available for sale is based on:

- Level 1: quoted prices in active markets;
- Level 2: observable market data in active markets;
- Level 3: unobservable inputs (counterparty quotes).

The valuation is as follows.

31 March 2015	Level 1	Level 2	Level 3	Total
Treasury bills	10.0			10.0
Government bonds	34,187.5	26.3		34,213.8
Corporate debt securities	25,954.2	1,080.8		27,035.0
Structured credit instruments	110.1	97.4	59.0	266.5
Equity securities, private equities and other investments	3,100.9	896.4	163.5	4,160.8
Total Investments AFS	**63,362.7**	**2,100.9**	**222.5**	**65,686.1**

31 December 2014	Level 1	Level 2	Level 3	Total
Treasury bills	50.0			50.0
Government bonds	32,748.9			32,748.9
Corporate debt securities	25,049.0	1,257.2	2.5	26,308.7
Structured credit instruments	125.3	101.7	74.2	301.2
Equity securities, private equities and other investments	2,688.6	883.8	148.7	3,721.1
Total Investments AFS	**60,661.8**	**2,242.7**	**225.4**	**63,129.9**

The changes in level 3 valuation are as follows.

	31 March 2015	31 December 2014
Balance as at 1 January	**225.4**	**237.2**
Maturity/redemption or repayment	(2.8)	(22.6)
Acquired	8.1	15.5
Proceeds from sales	(48.5)	(6.4)
Realised gains (losses)		(0.8)
Reversal of impairments		2.3
Impairments		(0.3)
Unrealised gains (losses)	3.3	0.5
Transfers between valuation categories	37.0	
Closing balance	**222.5**	**225.4**

Government bonds detailed by country of origin

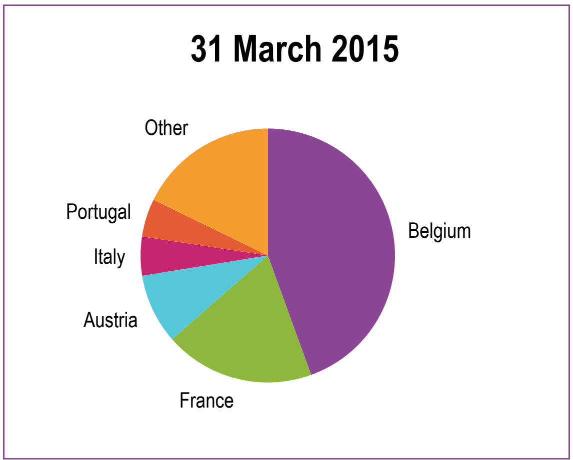
Government bonds detailed by country of origin as at 31 March are as follows.

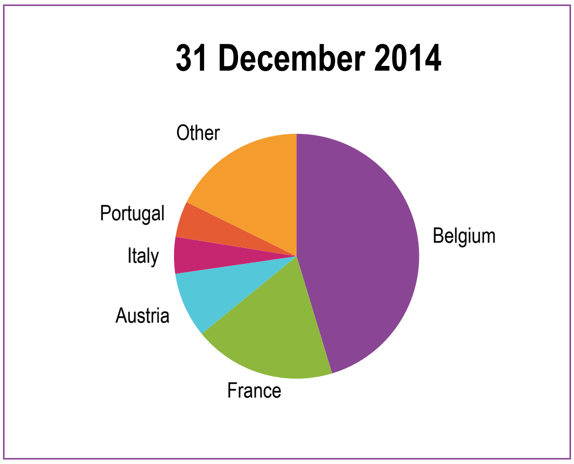
31 March 2015	Historical/ amortised cost	Gross unrealised gains (losses)	Adjustments from hedge accounting	Fair value
Belgian national government	11,705.2	3,473.7	31.2	15,210.1
French national government	4,899.1	1,634.7		6,533.8
Austrian national government	2,364.1	685.2		3,049.3
Italian national government	1,225.6	461.4		1,687.0
Portuguese national government	1,375.4	276.7		1,652.1
German national government	965.2	402.8		1,368.0
Spanish national government	556.7	128.7		685.4
Dutch national government	550.6	116.8		667.4
Irish national government	553.2	100.3		653.5
US national government	346.0	112.1		458.1
British national government	415.1	24.1		439.2
Slovakian national government	303.8	66.6		370.4
Polish national government	247.4	85.9		333.3
Finnish national government	202.3	39.6		241.9
Czech Republic national government	198.1	35.7		233.8
Other national governments	533.3	97.2		630.5
Total	**26,441.1**	**7,741.5**	**31.2**	**34,213.8**

31 December 2014	Historical/ amortised cost	Gross unrealised gains (losses)	Adjustments from hedge accounting	Fair value
Belgian national government	12,011.7	2,810.9	15.9	14,838.5
French national government	4,900.4	1,250.5		6,150.9
Austrian national government	2,253.1	569.3		2,822.4
Italian national government	1,263.0	318.3		1,581.3
Portuguese national government	1,371.6	187.4		1,559.0
German national government	936.3	339.9		1,276.2
Spanish national government	566.7	91.1		657.8
Dutch national government	465.7	96.5		562.2
Irish national government	553.1	94.1		647.2
US national government	306.7	91.3		398.0
British national government	513.8	22.1		535.9
Slovakian national government	300.2	51.6		351.8
Polish national government	247.5	72.3		319.8
Finnish national government	202.9	35.3		238.2
Czech Republic national government	198.1	36.5		234.6
Other national governments	505.1	70.0		575.1
Total	**26,595.9**	**6,137.1**	**15.9**	**32,748.9**

There were no impairments on government bonds in the first three months of 2015 and the full year 2014.

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 2015	31 December 2014
Available for sale investments in debt securities:		
Carrying amount	61,525.3	59,408.8
Gross unrealised gains and losses	10,447.0	8,514.4
- Related tax	(3,271.4)	(2,695.7)
Shadow accounting	(4,894.3)	(4,144.3)
- Related tax	1,428.9	1,222.0
Net unrealised gains and losses	**3,710.2**	**2,896.4**

	31 March 2015	31 December 2014
Available for sale investments in equity securities and other investments:		
Carrying amount	4,160.8	3,721.1
Gross unrealised gains and losses	841.6	506.5
- Related tax	(75.8)	(54.9)
Shadow accounting	(353.6)	(237.4)
- Related tax	114.7	78.3
Net unrealised gains and losses	**526.9**	**292.5**

Impairments of Investments available for sale

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

	31 March 2015	31 December 2014
Impairments of investments available for sale:		
- on debt securities	(20.5)	(22.2)
- on equity securities and other investments	(141.3)	(142.1)
Total impairments of investments available for sale	**(161.8)**	**(164.3)**

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

	31 March 2015	31 December 2014
Balance as at 1 January	**164.3**	**182.3**
Increase in impairments	1.2	40.1
Reversal on sale/disposal	(3.6)	(58.0)
Foreign exchange differences and other adjustments	(0.1)	(0.1)
Closing balance	**161.8**	**164.3**

8.3 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 2015	31 December 2014
Corporate debt securities	128.3	81.2
Debt securities	128.3	81.2
Equity securities	58.9	58.6
Equity securities and other investments	58.9	58.6
Total investments held at fair value through profit or loss	**187.2**	**139.8**

Investments held at fair value through profit or loss include primarily investments related to insurance liabilities where cash flows are linked to the performance of these assets, either contractually or on the basis of discretionary participation 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.

The nominal value of the debt securities held at fair value through profit or loss as at 31 March 2015 is EUR 128.1 million (31 December 2014: EUR 81.3 million).

The valuation of Investments held at fair value through profit or loss is based on:

- Level 1: quoted prices in active markets;
- Level 2: observable market data in active markets;
- Level 3: unobservable inputs (counterparty quotes).

The valuation can be shown as follows.

31 March 2015	Level 1	Level 2	Level 3	Total
Corporate debt securities	5.1	123.2		128.3
Structured credit instruments				
Equity securities		58.9		58.9
Total Investments held at fair value through profit or loss	**5.1**	**182.1**		**187.2**

31 December 2014	Level 1	Level 2	Level 3	Total
Corporate debt securities	5.0	76.2		81.2
Structured credit instruments				
Equity securities		58.6		58.6
Total Investments held at fair value through profit or loss	**5.0**	**134.8**		**139.8**

8.4 Derivatives held for trading (assets)

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

	31 March 2015	31 December 2014
Over the counter (OTC)	30.7	17.6
Exchange traded	0.3	0.5
Total derivatives held for trading (assets)	**31.0**	**18.1**

The Derivatives held for trading mainly relate to interest rate and equity options and interest rate swaps. Derivatives held for trading are in 2015 and 2014 based on a level 2 valuation (observable inputs from active markets, see also note 18 Derivatives for further details).

8.5 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 2015	31 December 2014
Investment property	3,616.6	3,618.2
Land and buildings held for own use	1,351.2	1,355.1
Total fair value	**4,967.8**	**4,973.3**
Carrying amount:		
Investment property	2,616.7	2,641.3
Land and buildings held for own use	980.0	971.7
Total carrying amount	**3,596.7**	**3,613.0**
Gross unrealised gain / loss	1,371.1	1,360.3
Taxation	(456.1)	(452.4)
Net unrealised gain / loss (not recognised in equity)	**915.0**	**907.9**

9 Loans

The composition of Loans is as follows.

	31 March 2015	31 December 2014
Government and official institutions	2,586.8	2,443.4
Residential mortgages	1,445.2	1,485.4
Commercial loans	991.2	757.5
Interest bearing deposits	917.2	647.1
Loans to banks	569.8	471.1
Policyholder loans	261.4	249.2
Corporate loans	86.7	39.9
Total	**6,858.3**	**6,093.6**
Less impairments	(27.2)	(25.3)
Total Loans	**6,831.1**	**6,068.3**

9.1 Commercial loans

The composition of Commercial loans is as follows.

	31 March 2015	31 December 2014
Consumer Loans	15.1	14.9
Real Estate	267.0	234.8
Infrastructure	146.1	173.5
Other	563.0	334.3
Total Commercial Loans	**991.2**	**757.5**

Ageas has granted credit lines for a total amount of EUR 629 million (31 December 2014: EUR 412 million).

9.2 Loans to banks

Loans to banks consists of the following.

	31 March 2015	31 December 2014
Loans and advances	456.6	467.9
Other	113.2	3.2
Loans to Banks	**569.8**	**471.1**

10 Investments in associates

The main investments in associates consist of our share in our participations in Tai Ping Life Insurance, Mayban Ageas, Muang Thai Group, Cardif Lux Vie, Aksigorta, DTH Partners LLC, Royal Park Investments (RPI) and Tesco Insurance.

Royal Park Investments

The Net profit of RPI for the first three months of 2015 amounted to EUR 24 million (Ageas' share EUR 11 million) compared to EUR 0 million (Ageas' share EUR 0 million) for 2014.

After the disposal of the assets, and settlement of the liabilities the remaining activity of RPI is essentially limited to the management of litigations initiated on a number of US assets.

11 Insurance liabilities

11.1 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 2015	31 December 2014
Liability for future policyholder benefits	26,713.7	26,449.5
Reserve for policyholder profit sharing	367.6	328.7
Shadow accounting	3,172.1	2,646.3
Before eliminations	**30,253.4**	**29,424.5**
Eliminations	(4.8)	(4.8)
Gross	**30,248.6**	**29,419.7**
Reinsurance	(47.1)	(41.5)
Net	**30,201.5**	**29,378.2**

11.2 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 2015	31 December 2014
Liability for future policyholder benefits	28,689.3	28,638.1
Reserve for policyholder profit sharing	64.8	159.4
Shadow accounting	2,159.7	1,772.2
Gross	**30,913.8**	**30,569.7**
Reinsurance		
Net	**30,913.8**	**30,569.7**

11.3 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 2015	31 December 2014
Insurance contracts	2,162.8	1,969.1
Investment contracts	13,798.6	12,859.9
Total	**15,961.4**	**14,829.0**

11.4 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 2015	31 December 2014
Claims reserves	5,732.7	5,619.8
Unearned premiums	1,682.7	1,512.2
Reserve for policyholder profit sharing	13.3	15.6
Shadow accounting	32.9	
Gross	**7,461.6**	**7,147.6**
Reinsurance	(557.1)	(562.7)
Net	**6,904.5**	**6,584.9**

12 Subordinated liabilities

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

	31 March 2015	31 December 2014
FRESH	1,250.0	1,250.0
Hybrone	72.6	226.8
Fixed to floating Rate Callable Subordinated Loan BCP Investments	58.8	58.8
Fixed Rate Reset Perpetual Subordinated Notes	506.5	448.1
Dated Fixed Rate Subordinated Notes	395.0	
Fixed to Floating Rate Callable Subordinated Notes	99.6	99.6
Other subordinated liabilities	3.0	3.0
Total subordinated liabilities	**2,385.5**	**2,086.3**

12.1 FRESH

On 7 May 2002, Ageasfinlux SA 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 SA, with ageas SA/NV acting as co-obligor. The principal amount of the securities will not be repaid in cash. The sole recourse of the holders of the FRESH against the co-obligor with respect to the principal amount are the 4.0 million Ageas shares that Ageasfinlux SA 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 2015 already includes the 4.0 million 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 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' regulatory qualifying capital.

The FRESH have no maturity date, but may be exchanged for Ageas shares at a price of EUR 315 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 472.50 on twenty consecutive stock exchange business days. The securities qualify as available solvency margin under the prevailing European regulatory capital regime for insurers (Solvency I) and as Grandfathered Tier 1 capital under future European regulatory requirements for insurers (Solvency II).

12.2 Hybrone

In 2006, Ageas incorporated a special purpose company named Ageas Hybrid Financing SA (hereafter AHF), 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 AHF have the benefit of a support agreement and a subordinated guarantee entered into by ageas SA/NV.

Under the support agreement ageas SA/NV is obliged to contribute to AHF 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 AHF so elects, the cash coupon will be replaced by settlement through the ACSM.

At year end 2014 EUR 226.8 million of Hybrone securities were outstanding, carrying an interest rate of 5.125%. As result of a successful tender launched in March 2015 the outstanding amount dropped to EUR 72.6 million as at 31 March 2015. The securities have a first call date on 20 June 2016; if not called, the interest rate thereafter changes to 3 month Euribor + 200 basis points. The securities qualify as available solvency margin under the prevailing European regulatory capital regime for insurers (Solvency I) and as Grandfathered Tier 1 capital under future European regulatory requirements for insurers (Solvency II).

12.3 Fixed Rate Reset Perpetual Subordinated Notes

On 21 March 2013, AG Insurance issued USD 550 million Fixed Rate Reset Perpetual Subordinated Notes at an interest rate of 6.75%. The Notes constitute direct, unsecured and subordinated obligations of AG Insurance. The Notes are listed on the Luxembourg Stock Exchange. The Notes may be redeemed at the option of AG Insurance, in whole but not in part, on the first call date (March 2019) or on any interest payment date thereafter. The Notes qualify as available solvency margin under the prevailing European regulatory capital regime for insurers (Solvency I) and as Grandfathered Tier 1 capital under future European regulatory requirements for insurers (Solvency II).

12.4 Fixed-to-Floating Callable Subordinated Notes

On 18 December 2013, AG Insurance issued EUR 450 million Fixed-to-Floating Callable Subordinated Notes due 2044.

The Notes have an interest rate of 5.25%, payable annually, up to their June 2024 first call date and will from such first call date bear interest at a floating rate of 3 month Euribor + 4.136% per annum, payable quarterly.

The Notes provide for a quarterly optional call by AG Insurance as from June 2024 and for the optional or mandatory deferral of interest under certain circumstances. The Notes qualify as available solvency margin under the prevailing European regulatory capital regime for insurers (Solvency I) and as Tier 2 capital under future European regulatory requirements for insurers (Solvency II).

The Notes are subscribed by ageas SA/NV (EUR 350 million) and BNP Paribas Fortis SA/NV (EUR 100 million) and are listed on the Luxembourg stock exchange.

12.5 Dated Fixed Rate Subordinated Notes

On 31 March 2015, AG Insurance issued EUR 400 million Fixed Rate Subordinated Securities at an interest rate of 3.5% and with a maturity of 32 years. The Securities constitute direct, unsecured and subordinated obligations of AG Insurance. The Notes are listed on the Luxembourg Stock Exchange. The Securities may be redeemed at the option of AG Insurance, in whole but not in part, on the first call date at 30 June 2027 or at any interest payment date thereafter. If not called on the first call date and on each fifth anniversary of the first call date the interest rate will be reset equal to the sum of the five year euro mid swap rate plus 3.875%. The securities qualify as available solvency margin under the prevailing European regulatory capital regime for insurers (Solvency I) and as Tier 2 capital under future European regulatory requirements for insurers (Solvency II).

12.6 Fixed-to-Floating Callable Subordinated Loan BCP Investments

On 5 December 2014, Ageas Insurance International N.V. (51%) and BCP Investments B.V. (49%) granted a subordinated loan of EUR 120 million to Millenniumbcp Ageas at 4.75% per annum up to the first call date in December 2019 and 6 month Euribor + 475 basis points per annum thereafter. The securities qualify as available solvency margin under the prevailing European regulatory capital regime for insurers (Solvency I) and as Grandfathered Tier 1 capital under future European regulatory requirements for insurers (Solvency II).

13 Borrowings

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

	31 March 2015	31 December 2014
Repurchase agreements	972.9	1,069.8
Loans	1,356.3	1,043.9
Due to banks	**2,329.2**	**2,113.7**
Funds held under reinsurance agreements	86.4	82.0
Finance lease agreements	21.1	21.3
Other borrowings	296.1	266.5
Total borrowings	**2,732.8**	**2,483.5**

Ageas has pledged debt securities with a carrying amount of EUR 989.3 million (31 December 2014: EUR 1,082.3 million) as collateral for Repurchase agreements. In addition, property has been pledged as collateral for Loans and other with a carrying amount of EUR 391.5 million (31 December 2014:
EUR 391.5 million).

The carrying value of the borrowings is a reasonable approximation of their fair value as contract maturities are less than one year (repurchase agreements) and/or contracts carry a floating rate (loans from banks). Accordingly, the fair value is based upon observable market data (level 2).

14 Current and deferred tax assets and liabilities

Deferred taxes are recognised for temporary differences between the IFRS book value and the tax book values as well as for tax losses carried forward to the extent that it is probable there will be sufficient future taxable profit against which the deferred tax asset can be utilised.

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

	Statement of financial position			Income statement
	31 March 2015	31 December 2014	First three months 2015	First three months 2014
Deferred tax assets related to:				
Financial investments (available for sale)	(28.6)			6.9
Investment property	19.9	20.3	(0.3)	(0.1)
Property, plant and equipment	37.0	36.8		
Intangible assets (excluding goodwill)	3.9	4.7	(0.8)	0.1
Insurance policy and claim reserves	1,658.1	1,440.8	2.4	(4.1)
Provisions for pensions and post-retirement benefits	181.4	171.9	0.9	0.1
Other provisions	12.8	12.3	0.3	(1.7)
Accrued expenses and deferred income	0.2	0.2		
Unused tax losses	134.5	131.8	4.3	0.1
Other	69.2	65.7	1.2	1.2
Gross deferred tax assets	**2,088.4**	**1,884.5**	**8.0**	**2.5**
Unrecognised deferred tax assets	(50.1)	(57.9)	5.4	6.5
Net deferred tax assets	**2,038.3**	**1,826.6**	**13.4**	**9.0**
Deferred tax liabilities related to:				
Derivatives held for trading (assets)	0.2	0.1	(0.1)	(0.3)
Financial investments (available for sale)	3,150.4	2,623.5	8.6	(6.9)
Unit-linked investments	(1.4)	(3.4)	(2.0)	0.6
Investment property	124.1	123.4	(0.9)	(1.2)
Loans to customers	2.7	1.2		(0.1)
Property, plant and equipment	177.7	179.8	2.0	1.0
Intangible assets (excluding goodwill)	107.4	109.4	2.1	1.7
Other provisions	14.3	13.4		1.4
Deferred policy acquisition costs	31.4	31.3	(0.1)	2.8
Deferred expense and accrued income	1.3	1.4		
Tax exempt realised reserves	60.5	61.2	0.7	1.0
Other	42.9	42.5	(0.1)	10.8
Total deferred tax liabilities	**3,711.5**	**3,183.8**	**10.2**	**10.8**
Deferred tax income (expense)			**23.6**	**19.8**
Net deferred tax	**(1,673.2)**	**(1,357.2)**		

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 after such offsetting are as follows.

	31 March 2015	31 December 2014
Deferred tax asset	104.0	106.4
Deferred tax liability	1,777.2	1,463.6
Net deferred tax	**(1,673.2)**	**(1,357.2)**

15 RPN (I)

The RPN(I) is a financial instrument that results in quarterly payments being made to, or received from, BNP Paribas Fortis SA/NV.

BNP Paribas Fortis SA/NV issued CASHES securities in 2007 with Ageas SA/NV as co-obligor. CASHES are convertible securities that convert in Ageas shares at a pre-set price of EUR 239.40 per share. BNP Paribas Fortis SA/NV and Ageas SA/NV, at that point in time both parts of the Fortis group, introduced a Relative Performance Note, designed to avoid accounting volatility on the Ageas shares and on the at fair value valued CASHES in the books of BNP Paribas Fortis SA/NV. At the break up of Fortis in 2009, BNP Paribas Fortis SA/NV and Ageas agreed to pay interest over a reference amount stated in this Relative Performance Note. The quarterly interest payment is valued as a financial instrument and referred to as RPN(I).

The RPN(I) exists to the extent that CASHES securities remain outstanding in the market. Originally, 12,000 CASHES securities were issued in 2007. Ageas reached an agreement with BNP Paribas in February 2012, whereby Ageas paid a EUR 287 million indemnity to BNP Paribas when BNP Paribas tendered CASHES at a price of 47.5% and converted the 7,553 CASHES securities tendered into its underlying Ageas shares, triggering the pro-rata cancellation of the RPN(I) liability. After this conversion 4,447 CASHES remain outstanding.

Reference amount and interest paid

The reference amount is calculated as follows:

- the difference between EUR 2,350 million and the market value of 12.53 million Ageas shares in which the instrument converts, less
- the difference between EUR 3,000 million par issuance and the market value of the CASHES as quoted by the Luxembourg stock exchange, multiplied by
- the number of CASHES securities that remain outstanding (4,447/12,000 = 37.06%).

Ageas pays interest to BNP Paribas Fortis SA/NV over the average reference amount in the quarter (if the above outcome becomes negative BNP Paribas Fortis SA/NV pays to Ageas); the interest amounted to 3-month Euribor plus 20 basis points up to 31 March 2014 and 3-month Euribor plus 90 basis points thereafter (see next paragraph).

State guarantee and cancellation of this guarantee

Up to 31 March 2014 the Belgian state guaranteed Ageas interest payment towards BNP Paribas Fortis SA/NV. Ageas paid the Belgian State a fee for this guarantee, amounting to 70 basis points per annum over the reference amount, while the Belgian state held a pledge on 14% of the shares of AG Insurance as a recourse, in case Ageas would default on its interest payment.

With an objective to cancel the State guarantee the involved parties rearranged the agreement on 1 April 2014. The pledge in favour of the Belgian State was replaced by a pledge of AG Insurance shares directly in favour of BNP Paribas Fortis SA/NV, whereby the number of pledged shares was reduced from 14% to 7.4% of the total AG Insurance shares outstanding; to reflect the higher credit risk the interest rate applicable over the reference amount changed from 3-month Euribor plus 20 basis points into 3-month Euribor plus 90 basis points; at the same date the fee obligation from Ageas towards the Belgian State ceased to exist.

Valuation

Ageas applies a transfer notion to Fair Value the RPN(I) liability. 'Fair value' is defined in IFRS 13 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The definition is explicitly described as an exit price, linked with the price 'paid to transfer a liability'. When such pricing is not available and the liability is held by another entity as an asset, the liability needs to be valued from the perspective of a market participant that holds the asset. Ageas values its liability at the reference amount.

The RPN-reference amount moves subject to the CASHES price and Ageas share price: each 1% increase of the CASHES price, expressed in a percentage of its par value, leads to an increase of the reference amount with EUR 11 million, while each EUR 1.00 increase of the Ageas share price decreases the reference amount with EUR 5 million.

The decrease of the reference amount from EUR 467 million at year end 2014 to EUR 431 million on 31 March 2015 is due to the price decrease of the CASHES from 76.04% to 74.42% and increase of the Ageas share price from EUR 29.51 to EUR 33.41 over the same period.

16 Provisions

The provisions mainly relate to legal disputes and reorganisations and are based on best estimates available at period-end based on management judgement and in most cases supported by the opinion of legal 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 litigations/disputes. We refer to note 27 Contingent liabilities, which describes the various ongoing litigations.

On 29 July 2014, the Amsterdam Court of Appeal decided to leave the sale of the Dutch Fortis entities in 2008 unaffected in response to the appeal by Stichting FortisEffect against the judgement of the Amsterdam District Court. However, the Court also ruled that Fortis provided misleading and incomplete information regarding the sale of the Dutch Fortis entities during the period of 29 September through 1 October 2008, and decided that Ageas should indemnify the shareholders concerned for the damages suffered as a result.

Ageas has decided to appeal this decision before the Dutch Supreme Court, but concluded that based on IAS 37 requirements a provision is to be recognized.

Although no damages have been established to date in the current proceedings, Ageas has recognized a provision of EUR 130 million, based on its assessment of the terms of the Court's decision and on methods and assumptions commonly used in the market. We note that the final amount and timing of outflows is uncertain and is mainly dependent on (a) the actual number of claimants, (b) the methods that will be used by the court to determine the eligibility of these claimants and the amount of the damages to be linked to the alleged wrongdoing and (c) the date of finalization of the further legal proceedings.

The amounts are presented under line item Provisions in the statement of financial position and line item Change in provisions in the income statement.

Changes in provisions during the year are as follows.

	31 March 2015	31 December 2014
Balance as at 1 January	**171.4**	**45.0**
Acquisition and divestment of subsidiaries	2.8	0.4
Increase (Decrease) in provisions	(0.4)	137.5
Utilised during the year	(2.4)	(11.7)
Accretion of interest	0.7	
Foreign exchange differences	0.1	0.2
Closing balance	**172.2**	**171.4**

17 Liabilities related to written put options NCI

17.1 Liability related to written put option on AG Insurance shares held by BNP Paribas Fortis SA/NV

Ageas concluded on 12 March 2009 an agreement on the sale of 25% + 1 share of AG Insurance to Fortis Bank (now named BNP Paribas Fortis SA/NV) for an amount of EUR 1,375 million. This agreement was approved by the Shareholder's meetings of Ageas of April 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). Ageas values the liability at the amount of the consideration expected to be paid on settlement, discounted back to the reporting date.

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 will be exercised in 2018, the liability will be settled by a cash payment of Ageas to BNP Paribas Fortis SA/NV 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.

Calculation of the liability

Ageas is using the embedded value of the life business of AG Insurance and a discounted cash flow model for Non-life as a basis for the calculation of the Liability. For determining the expected settlement amount, the applied valuation method is based on:

- current embedded value multiples for life insurance companies. As from 2015, the peer group is more fine-tuned by selecting only pure life companies and excluding the composite entities;
- a growth in value based on an expected rate of return of 11% on embedded value and a 50% dividend pay-out for 2013 and of 75% for the years thereafter;
- a discount rate of 10%.

Treatment of the option in the Income statement

As long as the option has not been exercised, the results in the Consolidated income statement linked to Non-controlling interest (the 25% + 1 share part of BNP) are recorded as Non-controlling interest.

Based on these assumptions the net present value of the liability is EUR 1,218 million as at 31 March 2015 (31 December 2014: EUR 1,391 million). The following sensitivities have been calculated.

Discount rate	+1% point	(1%) point
Value liability	1,188	1,249
Relative impact	(2.5%)	2.5%

Price to Embedded Value	+10%	(10%)
Value liability	1,313	1,124
Relative impact	7.8%	(7.7%)

Growth rate	+1% point	(1%) point
Value liability	1,245	1,192
Relative impact	2.2%	(2.1%)

The impact of the liability related to the written put option on shareholders' equity is as follows:

Value Put Option	31 March 2015	31 December 2014	Change
Value Liability Put Option	1,218.0	1,391.0	(173.0)
Corresponding Non Controlling Interest	(1,817.6)	(1,562.9)	(254.7)
Impact on Shareholders' Equity	599.6	171.9	427.7

17.2 Put option AG Insurance granted to Parkimo

AG Insurance granted an unconditional put option on its 10.05% ownership to Parkimo, the present minority shareholder of Interparking. The put option has been measured at the fair value of the expected settlement amount (EUR 89 million).

18 Derivatives

Ageas is mainly using derivatives to manage its overall interest, equity and currency risks. Derivatives are in principal recorded as trading derivatives unless a hedge relation with an open position is properly documented, in which case the derivatives are recorded as hedging derivatives.

Fair value movements of trading derivatives are recorded in the Income statement. Fair value movements of hedging derivatives are recorded in Other comprehensive income together with the fair value movement of the hedged position.

Due to the fact that in certain situations the fair value movements of the derivative and the hedged position both flow through the Income statement no hedge documentation is drawn up and the derivatives are recorded as trading.

Trading derivatives

	31 March 2015			31 December 2014		
	Fair values			Fair values		
	Assets	Liabilities	Notional amount	Assets	Liabilities	Notional amount
Foreign exchange contracts						
Forwards and futures	1.5	81.2	1,524.5	0.0	41.3	1,262.9
Swaps	22.8		109.0	11.7		11.7
Total	**24.3**	**81.2**	**1,633.5**	**11.7**	**41.3**	**1,274.6**
Interest rate contracts						
Swaps	2.7	14.3	453.3	1.9	20.1	453.5
Options			478.0	0.0		478.0
Total	**2.7**	**14.3**	**931.3**	**1.9**	**20.1**	**931.5**
Equity/Index contracts						
Options and warrants	0.3			0.0		
Total	**0.3**			**0.0**		
Other	**3.7**		**11.4**	**4.5**		**0.0**
Total	**31.0**	**95.5**	**2,576.2**	**18.1**	**61.4**	**2,206.1**
Fair values supported by observable market data	22.8	28.4		12.1	61.4	
Fair values obtained using a valuation model	8.2	67.1		6.0		
Total	**31.0**	**95.5**		**18.1**	**61.4**	
Over the counter (OTC)	30.7	95.5	2,576.2	17.6	61.4	2,206.1
Exchange traded	0.3			0.5		
Total	**31.0**	**95.5**	**2,576.2**	**18.1**	**61.4**	**2,206.1**

Hedging derivatives

	31 March 2015			31 December 2014		
	Fair values			Fair values		
	Assets	Liabilities	Notional amount	Assets	Liabilities	Notional amount
Foreign exchange contracts						
Swaps	0.4	3.2	444.5		5.1	394.1
Total	**0.4**	**3.2**	**444.5**		**5.1**	**394.1**
Interest rate contracts						
Forwards and futures	120.0	32.5	731.4	82.5	16.9	656.2
Swaps		36.0	1,431.1		21.4	442.5
Options	0.3		82.2	0.2		82.2
Total	**120.3**	**68.5**	**2,244.7**	**82.7**	**38.3**	**1,180.9**
Total	**120.7**	**71.7**	**2,689.2**	**82.7**	**43.4**	**1,575.0**
Fair values supported by observable market data		47.5			16.9	
Fair values obtained using a valuation model	120.7	24.2		82.7	26.5	
Total	**120.7**	**71.7**		**82.7**	**43.4**	
Over the counter (OTC)	120.7	71.7	2,689.2	82.7	43.4	1,575.0
Total	**120.7**	**71.7**	**2,689.2**	**82.7**	**43.4**	**1,575.0**

Derivatives are valued based on level 2 (observable market data in active markets).

19 Commitments

The Commitments Received and Given can be shown at 31 March as follows.

Commitments	31 March 2015	31 December 2014
Commitment Received		
Credit lines	431.5	431.5
Collateral & guarantees received	4,751.3	4,592.5
Other off balance-sheet rights	2.4	2.6
Total received	**5,185.2**	**5,026.6**
Commitment Given		
Guarantees, Financial and Performance Letters of Credit	73.7	78.5
Credit lines	*809.2*	*612.7*
Used	*(180.0)*	*(200.5)*
Available	629.2	412.2
Collateral & guarantees given	1,397.3	1,562.6
Entrusted assets and receivables	1,099.4	1,442.9
Capital rights & commitments	108.3	121.5
Other off balance-sheet commitments	1,215.4	832.3
Total given	**4,523.3**	**4,450.0**

The major part of the Commitments Received consist of collateral and guarantees received, and relates mainly to collateral received from customers on residential mortgages and to a lesser extend to policyholder loans and commercial loans.

Commitments Given largely comprise Collateral and guarantees given (EUR 1,397 million) in connection with repurchase agreements, Entrusted assets and receivables (EUR 1,099 million) and Extended credit lines.

20 Fair value of financial assets and financial liabilities

The following table shows the carrying amounts and fair value of those classes of financial assets and financial liabilities not reported at fair value on the Ageas Consolidated statement of financial position. Liabilities are, except for some debt certificates held at amortised cost.

A description of the methods used to determine the fair value of financial instruments is given below.

			31 March 2015		31 December 2014
	Level	Carrying value	Fair value	Carrying value	Fair value
Assets					
Cash and cash equivalents	2	2,847.5	2,847.5	2,516.3	2,516.3
Financial Investments held to maturity	1 / 3	4,882.3	7,828.0	4,887.0	7,121.3
Loans	2	6,831.1	7,675.0	6,068.3	6,740.7
Reinsurance and other receivables	2	2,132.3	2,132.3	1,991.7	1,991.7
Total financial assets		**16,693.2**	**20,482.8**	**15,463.3**	**18,370.0**
Liabilities					
Debt certificates	2	2.1	2.1	2.2	2.2
Subordinated liabilities	2	2,385.5	2,431.3	2,086.3	2,138.0
Loans	2	2,425.0	2,424.5	2,205.5	2,205.2
Other borrowings	2	307.7	308.0	278.0	274.7
Total financial liabilities		**5,120.3**	**5,165.9**	**4,572.0**	**4,620.1**

Fair value is the amount for which an asset could be exchanged, a liability settled or a granted equity instrument exchanged between knowledgeable, willing parties in an arm's length transaction.

Ageas uses the following methods, in the order listed, when determining the fair value of financial instruments:

- quoted price in an active market;
- valuation techniques;
- cost.

When a financial instrument is traded in an active and liquid market, its quoted market price or value provides the best evidence of fair value. No adjustment is made to the fair value of large holdings of shares, unless there is a binding agreement to sell the shares at a price other than the market price. The appropriate quoted market price for an asset held or a liability to be issued is the current bid price, and for an asset to be acquired or a liability held, the ask price. Mid-market prices are used as a basis for establishing the fair value of assets and liabilities with offsetting market risks.

If no active market price is available, fair values are estimated using present value or other valuation techniques based on market conditions existing at the reporting date. If there is a valuation technique commonly used by market participants to price an instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, Ageas applies that technique.

Valuation techniques that are well established in financial markets include recent market transactions, discounted cash flows and option pricing models. An acceptable valuation technique incorporates all factors that market participants would consider when setting a price, and should be consistent with accepted economic methodologies for pricing financial instruments.

The basic principles for estimating fair value are:

- maximise market inputs and minimise internal estimates and assumptions;
- change estimating techniques only if an improvement can be demonstrated or if a change is necessary because of the availability of information.

The fair value presented is the 'clean' fair value, which is the total fair value or 'dirty' fair value less interest accruals. Interest accruals are reported separately.

Methods and assumptions used in determining fair value are largely dependent on whether the instrument is traded on financial markets and the information that is available to be incorporated into the valuation models. A summary of different financial instrument types along with the fair value treatment is included later on.

Quoted market prices are used for financial instruments traded on a financial market with price quotations.

Non-exchange-traded financial instruments are often traded in over-the-counter (OTC) markets by dealers or other intermediaries from whom market prices are obtainable.

Quotations are available from various sources for many financial instruments traded regularly in the OTC market. Those sources include the financial press, various publications and financial reporting services, and also individual market makers.

Quoted market prices provide the most reliable fair value for derivatives traded on a recognised exchange. Fair value of derivatives not traded on a recognised exchange is considered to be the value that could be realised through termination or assignment of the derivative.

Common valuation methodologies for an interest rate swap incorporate a comparison of the yield of the swap with the current swap yield curve. The swap yield curve is derived from quoted swap rates. Dealer bid and offer quotes are generally available for basic interest rate swaps involving counterparties whose securities are investment grade.

Factors that influence the valuation of an individual derivative include the counterparty's credit rating and the complexity of the derivative. If these factors differ from the basic factors underlying the quote, an adjustment to the quoted price may be considered.

Since the FRESH cannot be early redeemed or called and can only be redeemed by exchange of shares, the fair value of the FRESH is equal to the notional amount.

The fair value (FV) calculation of financial instruments not actively traded on financial markets can be summarised as follows.

Instrument Type	Ageas Products	Fair Value Calculation
Instruments with no stated maturity	Current accounts, saving accounts etc.	Nominal value.
Instruments without optional features	Straight loans, deposits etc.	Discounted cash flow methodology; discounting yield curve is the swap curve plus spread (assets) or the swap curve minus spread (liabilities); spread is based on commercial margin computed based on the average of new production during last three months.
Instruments with optional features	Mortgage loans and other instruments with option features	Product is split and linear (non-optional) component is valued using a discounted cash flow methodology and option component valued based on option pricing model.
Subordinated liabilities and related receivables	Subordinated liabilities	Valuation is based on broker quotes in an in-active market (level 3).
Private equity	Private equity and non-quoted participations investments	In general based on the European Venture Capital Association's valuation guidelines, using enterprise value/EBITDA, price/cash flow and price/earnings etc.
Preference shares (non-quoted)	Preference shares	If the share is characterised as a debt instrument, a discounted cash flow model is used.

Ageas pursues a policy aimed at quantifying and monitoring pricing uncertainties related to the calculation of fair values using valuation techniques and internal models. Related uncertainties are a feature of the 'model risk' concept.

Model risk arises when the product pricing requires valuation techniques which are not yet standardised or for which input data cannot be directly observed in the market, leading to assumptions about the input data themselves.

The introduction of new, sophisticated products in the market has resulted in the development of mathematical models to price them. These models in turn depend on assumptions regarding the stochastic behaviour of underlying variables, numerical algorithms and other possible approximations needed to replicate the complexity of the financial instruments.

Furthermore, the underlying hypotheses of a model depend on the general market conditions (e.g. specific interest rates, volatilities) prevailing at the time the model is developed. There is no guarantee that the model will continue to yield adequate results should market conditions change drastically.

Any related model uncertainty is quantified as accurately as possible and is the basis for adjusting the fair value calculated by the valuation techniques and internal models.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

21 Insurance premiums

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

	First three months 2015	First three months 2014
Gross inflow Life	1,740.6	1,657.7
Gross inflow Non-life	1,152.1	1,132.0
General and eliminations	(0.1)	(0.1)
Total gross inflow	**2,892.6**	**2,789.6**

	First three months 2015	First three months 2014
Net premiums Life	1,312.7	1,185.1
Net earned premiums Non-life	984.6	931.6
General and eliminations	(0.1)	(0.1)
Total net earned premiums	**2,297.2**	**2,116.6**

Life

The table below shows the details of Gross inflow Life.

	First three months 2015	First three months 2014
Unit-linked insurance contracts		
Single written premiums	33.2	20.6
Periodic written premiums	20.2	29.2
Total unit-linked insurance contracts	**53.4**	**49.8**
Non unit-linked insurance contracts		
Single written premiums	63.2	58.8
Periodic written premiums	231.9	214.3
Group business total	*295.1*	*273.1*
Single written premiums	104.7	105.8
Periodic written premiums	181.5	184.2
Individual business total	*286.2*	*290.0*
Total non unit-linked insurance contracts	**581.3**	**563.1**
Investment contracts with DPF		
Single written premiums	592.3	492.5
Periodic written premiums	107.1	109.0
Total investment contracts with DPF	**699.4**	**601.5**
Gross premium Life	**1,334.1**	**1,214.4**
Single written premiums	368.5	411.4
Periodic written premiums	38.0	31.9
Premium inflow deposit accounting	**406.5**	**443.3**
Gross inflow Life	**1,740.6**	**1,657.7**

Gross inflow Life consists of 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 2015	First three months 2014
Gross premium Life	1,334.1	1,214.4
Ceded reinsurance premiums	(21.4)	(29.3)
Net premiums Life	**1,312.7**	**1,185.1**

Non-life

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

First three months 2015	Accident & Health	Property & Casualty	Total
Gross written premiums	257.6	894.5	1,152.1
Change in unearned premiums, gross	(50.2)	(57.7)	(107.9)
Gross earned premiums	**207.4**	**836.8**	**1,044.2**
Ceded reinsurance premiums	(9.2)	(50.0)	(59.2)
Reinsurers' share of unearned premiums	1.5	(1.9)	(0.4)
Net earned premiums Non-life	**199.7**	**784.9**	**984.6**

First three months 2014	Accident & Health	Property & Casualty	Total
Gross written premiums	258.8	873.2	1,132.0
Change in unearned premiums, gross	(53.3)	(86.1)	(139.4)
Gross earned premiums	**205.5**	**787.1**	**992.6**
Ceded reinsurance premiums	(10.3)	(54.3)	(64.6)
Reinsurers' share of unearned premiums	1.9	1.7	3.6
Net earned premiums Non-life	**197.1**	**734.5**	**931.6**

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

First three months 2015	Accident & Health	Property & Casualty	Total
Belgium	122.3	332.1	454.4
UK	14.6	407.3	421.9
Continental Europe	62.8	45.5	108.3
Net earned premiums Non-life	**199.7**	**784.9**	**984.6**

First three months 2014	Accident & Health	Property & Casualty	Total
Belgium	121.6	323.6	445.2
UK	16.9	368.7	385.6
Continental Europe	58.6	42.2	100.8
Net earned premiums Non-life	**197.1**	**734.5**	**931.6**

22 Interest, dividend and other investment income

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

	First three months 2015	First three months 2014
Interest income		
Interest income on cash & cash equivalents	0.8	1.5
Interest income on loans to banks	3.6	5.6
Interest income on investments	513.3	510.9
Interest income on loans to customers	46.6	40.7
Interest income on derivatives held for trading	0.5	0.9
Other interest income	6.3	6.2
Total interest income	**571.1**	**565.8**
Dividend income from equity securities	15.9	13.6
Rental income from investment property	56.1	55.0
Revenues parking garage	78.8	70.9
Other investment income	11.4	10.7
Total interest, dividend and other investment income	**733.3**	**716.0**

23 Result on sales and revaluations

Result on sales and revaluations is broken down as follows.

	First three months 2015	First three months 2014
Debt securities classified as available for sale	9.3	35.0
Equity securities classified as available for sale	39.7	40.0
Derivatives held for trading	6.4	(1.6)
Investment property	1.5	5.3
Capital gain (losses) on sale of shares of subsidiaries and associates		(1.1)
Investments in associates	0.2	
Property, plant and equipment	0.1	0.1
Assets and liabilities held at fair value through profit or loss	0.5	0.3
Hedging results	(0.7)	(0.4)
Other	(1.5)	0.7
Total result on sales and revaluations	**55.5**	**78.3**

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.

24 Insurance claims and benefits

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

	First three months 2015	First three months 2014
Life insurance	1,570.7	1,443.2
Non-life insurance	612.5	638.6
General account and eliminations		(0.1)
Total insurance claims and benefits, net	**2,183.2**	**2,081.7**

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

	First three months 2015	First three months 2014
Benefits and surrenders, gross	1,454.0	1,396.2
Change in liabilities arising from insurance and investment contracts, gross	127.3	66.8
Total Life insurance claims and benefits, gross	**1,581.3**	**1,463.0**
Reinsurers' share of claims and benefits	(10.6)	(19.8)
Total Life insurance claims and benefits, net	**1,570.7**	**1,443.2**

Life Insurance claims and benefits reflect the increase in payments in Life Liabilities (see note 11 sections 11.1, 11.2 and 11.3).

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

	First three months 2015	First three months 2014
Claims paid, gross	653.7	618.3
Change in liabilities arising from insurance contracts, gross	(23.4)	47.6
Total Non-life insurance claims and benefits, gross	**630.3**	**665.9**
Reinsurers' share of claims paid	(40.1)	(24.2)
Reinsurers' share of change in liabilities	22.3	(3.1)
Total Non-life insurance claims and benefits, net	**612.5**	**638.6**

Non-life Insurance claims and benefits reflects the increase in volumes (see note 6 Information on operating segments) partially offset by a better reinsurance result.

25 Financing costs

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

	First three months 2015	First three months 2014
Financing costs		
Debt certificates		0.5
Subordinated liabilities	21.2	17.4
Borrowings	5.5	6.5
Other borrowings	3.3	3.9
Derivatives	0.9	1.5
Other liabilities	10.1	9.8
Total financing costs	**41.0**	**39.6**

26 Change in impairments

The Change in impairments is as follows.

	First three months 2015	First three months 2014
Change in impairments of:		
Investments in debt securities	0.2	
Investments in equity securities and other	1.0	2.7
Loans	0.7	1.1
Reinsurance and other receivables	1.9	1.3
Total change in impairments	**3.8**	**5.1**

NOTES TO ITEMS NOT RECORDED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

27 Contingent liabilities

27.1 Contingent liabilities related to legal proceedings

Like any other financial group, Ageas group 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. acquisition of parts of ABN AMRO and capital increase in September/October 2007, announcement of the solvency plan in June 2008, divestment of banking activities and Dutch insurance activities in September/October 2008), Ageas is or may still become involved in a series of legal proceedings and in a criminal procedure pending in Belgium.

Ageas denies and will continue to challenge all allegations of wrongdoing. As explained below in section 6, if these actions against Ageas were to be successful, they could eventually result in substantial monetary consequences for Ageas. However, today it is hardly possible to predict the outcome of the actions referred to in this contingent liabilities section or to quantify future Ageas' liabilities should they be successful. Ageas remains obviously committed to explore every possible option in the best interests of its stakeholders.

In this section certain legal proceedings are mentioned (i) which in itself do not directly imply any contingent liability (cf Closed proceedings) or (ii) for which a provision has been taken (cf FSMA, FortisEffect), but which may indirectly impact on other pending legal proceedings mentioned in this section.

I Closed proceedings

Final decisions were reached in the Netherlands (i) on 6 December 2013 concerning mismanagement ('wanbeleid') by Fortis N.V. on several occasions during 2007 – 2008 and (ii) on 4 March 2014 confirming AFM fines relating to defective communication about solvency-related matters in June 2008. However none of these led to a decision regarding potential financial compensation for which ongoing procedures continue. Additional AFM fines concerning communication about Fortis' subprime exposure in September 2007 have been definitively annulled on 14 February 2014.

II Ongoing proceedings

1. Administrative procedure in Belgium

The Belgian Financial Services and Markets Authority ('FSMA') initiated an investigation on Fortis' external communication during the second quarter of 2008. On 17 June 2013 the Sanctions Commission decided that in the period May-June 2008 Fortis communicated too late or incorrectly on the remedies required by the European Commission in the context of the ABN AMRO takeover, on its future solvency position upon full integration of ABN AMRO and on the success of the NITSH II offer. Therefore, the Sanctions Commission levied a fine on Ageas of EUR 500,000. On 16 July 2013, Ageas filed an appeal against this decision before the Court of Appeal in Brussels and the parties are in the process of exchanging written arguments. Hearings are scheduled for March and April 2015.

2. Criminal procedure in Belgium

In Belgium, since October 2008 a criminal procedure is ongoing in relation to events mentioned above in the introduction to this chapter. In February 2013 the public prosecutor filed his written indictment with charges of (i) false annual accounts 2007 due to overestimation of subprime assets, (ii) enticement to subscribe the 2007 rights issue with incorrect information and (iii) publication of incorrect or incomplete information on subprime on various occasions between August 2007 and April 2008, for which charges he requested the *Chambre du conseil/Raadkamer* that certain individuals be referred for trial before the criminal court. As several interested parties requested and obtained additional investigative measures, the hearing before the *Chambre du conseil/Raadkamer* was postponed *sine die*. For the time being referral of Ageas is not being requested by the public prosecutor.

Any negative findings of the administrative procedure and/or the criminal procedure may affect pending legal proceedings and/or could lead to new legal proceedings against Ageas, including claims for compensatory damages.

3. Civil proceedings initiated by shareholders or associations of shareholders

These proceedings, both in Belgium and in the Netherlands, (i) aim at the payment of compensatory damages based on alleged miscommunication and/or market abuse committed, by Fortis during the period between May 2007 and October 2008 and/or (ii) are (in)directly related to the transactions in September/October 2008.

3.1 In the Netherlands

3.1.1 VEB

On 19 January 2011, VEB (Vereniging van Effectenbezitters) initiated a collective action before the Amsterdam District Court seeking a ruling that various communications between September 2007 and 3 October 2008 constituted a breach of law by Fortis, by financial institutions involved in the September/October 2007 capital increase, and/or by certain of Fortis' former directors and executives. VEB characterises each of these breaches as an unlawful act by all or certain defendants and states that these defendants were therefore liable for the loss incurred by any (former) shareholder who bought shares during the relevant period. Inter alia, VEB alleges (against Fortis, certain of its former directors and executives and against the forementioned financial institutions) that the information provided in the September 2007 prospectus for the 9 October 2007 capital increase on Fortis' position exposure to the subprime situation, was incorrect and incomplete. The parties have exchanged written arguments and court hearings need to be scheduled.

3.1.2 Stichting FortisEffect

Stichting FortisEffect and a series of individuals represented by Mr De Gier appealed with the Amsterdam Appeal Court against the judgment of the Amsterdam District Court of 18 May 2011 that dismissed their collective action to invalidate the decisions taken by the Fortis Board in October 2008 and unwind the relevant transactions, or alternatively, to pay damages. On 29 July 2014 the Amsterdam Appeal Court decided that the sale of the Dutch Fortis entities in 2008 remains unaffected. However, it also ruled that during the period of 29 September through 1 October 2008 Fortis provided misleading and incomplete information to the markets. The Court concluded that Ageas should indemnify the damages suffered as a result thereof by the shareholders concerned. The damages, if any, will be decided upon and determined in further proceedings. Although no damages have been established to date, Ageas has recognized a provision of EUR 130 million (see note 16 Provisions). Ageas has launched an appeal against the Court's decision with the Dutch Supreme Court in October 2014. FortisEffect equally appealed with the Supreme Court.

3.1.3 Stichting Investor Claims Against Fortis (SICAF)

On 7 July 2011, 'Stichting Investor Claims Against Fortis' ('SICAF'), a 'Stichting' (Foundation) under Dutch law, brought a collective action before the Utrecht Court based on alleged Fortis miscommunication on various occasions during 2007 and 2008. SICAF alleges, i.a. (against Fortis and against two financial institutions) that the information provided in the September 2007 prospectus for the 9 October 2007 rights issue on Fortis' position in and exposure to the subprime situation was incorrect and incomplete.

On 3 August 2012, the same SICAF, on behalf of and together with a number of identified (former) shareholders, brought a second action before the Utrecht Court against the same defendants and certain former Fortis directors and executives, claiming damages. The allegations in this second action are materially similar to the first action. In addition, the plaintiffs claim that Fortis failed in its solvency policy in the period 2007 and 2008. At present it is unclear whether both actions will be joined.

3.1.4 Claims on behalf of individual shareholders

In proceedings initiated by a series of individuals represented by Mr Bos, the Utrecht Court decided on 15 February 2012 that Fortis and two co-defendants (the former CEO and the former financial executive) disclosed misleading information during the period from 22 May through 26 June 2008. The Court further ruled that separate proceedings were necessary to decide whether the plaintiffs had suffered damages, and if so, the amount of such damages. In the same proceedings, certain former Fortis directors and top executives requested the Court to acknowledge the alleged Ageas obligation to hold them harmless for the damages resulting from or relating to the legal proceedings initiated against them and resulting from their mandates within the Fortis group. An appeal against the Utrecht Court judgement was filed with the Arnhem Appeal Court. In appeal, Mr Bos claims damages for alleged miscommunication about (i) Fortis' subprime exposure in 2007/2008, about (ii) Fortis' solvency in January – June 2008, (iii) the remedies required by the European Commission in the context of the ABN AMRO take-over and (iv) Fortis' liquidity and solvency position on 26 September 2008.

On 1 August 2014, Mr Meijer initiated two separate proceedings, each one on behalf of an individual claimant, before the Utrecht Court, claiming to compensate for the loss due to alleged miscommunication by Fortis in the period September 2007 to September 2008.

On 23 September 2014, a former Fortis shareholder initiated proceedings against Ageas before the Utrecht Court, claiming damages because of miscommunication by Fortis between 29 September 2008 and 1 October 2008 as stated in the 29 July 2014 FortisEffect decision. On 1 April 2015 the court decided that this procedure will be joined with the Meijer proceedings.

3.2 In Belgium

3.2.1 Modrikamen

On 28 January 2009, a series of shareholders represented by Mr Modrikamen brought an action before the Brussels Commercial Court initially requesting 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 inter alia decided that it was not competent to judge on actions against the Dutch defendants. On 17 January 2013, the Brussels Court of Appeal confirmed this judgment in this respect. In July 2014 Mr Modrikamen filed an appeal before the Supreme Court on this issue. No decision has been rendered by the Supreme Court yet. To date the proceedings before the commercial court continue regarding the sale of Fortis Bank and aim at the payment of a compensation by BNP Paribas to Ageas, as well as by Ageas to the claimants. In an interim judgment of 4 November 2014, the court declared about 50% of the original claimants not admissible. Hearings are scheduled for October and November 2015.

3.2.2 Deminor

On 13 January 2010, a series of shareholders associated with Deminor International (currently named DRS Belgium) brought an action before the Brussels Commercial Court, seeking damages based on alleged lack of/or misleading information by Fortis during the period from March 2007 to October 2008. On 28 April 2014, the court declared in an interim judgment about 25% of the claimants not admissible. The parties are in the process of exchanging written arguments. Hearings are scheduled for September and October 2016.

3.2.3 Other claims on behalf of individual shareholders

On 12 September 2012, a (former) Fortis shareholder and its parent company brought an action before the Brussels Commercial Court, seeking damages based on alleged lack of or misleading information in the context of the 2007 rights issue. Parties are exchanging written arguments and hearings will take place in October 2015.

On 29 April 2013, a series of shareholders represented by Mr Arnauts brought an action before the Brussels Commercial Court, seeking damages based on alleged incomplete or misleading information by Fortis in 2007 and 2008; this action is suspended awaiting the outcome of the criminal proceedings.

On 25 June 2013, a similar action before the same court was initiated by two shareholders; those claimants ask for their case to be joined to the Deminor case. In the meantime, claimants agreed that their case be postponed *sine die*.

On 19 September 2013, certain (former) Fortis shareholders represented by Mr Lenssens initiated a similar action before the Brussels Civil Court; this action is suspended awaiting the outcome of the criminal proceedings.

4. Other legal proceedings

4.1 Legal proceedings initiated by Mandatory Convertible Securities (MCS) holders

The Mandatory Convertible Securities (MCS) issued in 2007 by Fortis Bank Nederland (Holding) N.V. (now ABN AMRO Bank N.V.), together with Fortis Bank SA/NV (now BNP Paribas Fortis SA/NV), Fortis SA/NV and Fortis N.V. (both now ageas SA/NV), were mandatorily converted on 7 December 2010 into 106,723,569 Ageas shares. Prior to 7 December 2010, certain MCS holders unilaterally decided at a general MCS holders' meeting to postpone the maturity date of the MCS until 7 December 2030. However, at the request of Ageas, the President of the Brussels Commercial Court suspended the effects of this decision. Following 7 December 2010, the same MCS holders contested the validity of the conversion of the MCS and requested its annulment or, alternatively, damages for an amount of EUR 1.75 billion. On 23 March 2012, the Brussels Commercial Court ruled in favour of Ageas, dismissing all claims of the former MCS holders. Hence, the conversion of the MCS into shares issued by Ageas on 7 December 2010 remains legally valid and no compensation is due. Certain former MCS holders appealed against this judgment, claiming damages for a provisional amount of EUR 350 million and the appointment of an expert. No dates are fixed for the hearings.

4.2 Legal proceedings initiated by RBS

On 1 April 2014, Royal Bank of Scotland (RBS) initiated two legal actions against Ageas and other parties: (i) an action before the Brussels Commercial Court in which RBS claims an amount of EUR 75 million, based on an alleged guarantee given by Fortis in 2007 in the context of a share deal between ABN AMRO Bank (now RBS) and Mellon and (ii) an arbitration procedure before ICC in Paris in which RBS claims a total amount of EUR 135 million, i.e. the alleged EUR 75 million guarantee and EUR 60 million arising from escrow provisions.

5. Hold harmless undertakings

In 2008, Fortis granted certain former executives and directors, at the time of their departure, a contractual hold harmless protection covering legal expenses and, in certain cases, also the financial consequences of any judicial decisions, in the event that legal proceedings were brought against them on the basis of their mandates exercised within the Fortis group. Ageas contests the validity of the contractual hold harmless commitments to the extent they relate to the financial consequences of any judicial decisions.

Furthermore, and as standard market practice in this kind of operations, Ageas entered into agreements with certain financial institutions facilitating the placing of Fortis shares in the context of the capital increases of 2007 and 2008. These agreements contain indemnification clauses that imply hold harmless obligations for Ageas subject to certain terms and conditions. Some of these financial institutions are involved in certain legal proceedings mentioned in this chapter.

6. General observations

Without prejudice to any specific comment made elsewhere in this chapter, given the various stages, the continuously evolving nature and the inherent uncertainties and complexity of the current proceedings described herein, Ageas' management is not in a position to assess the outcome of the claims or actions brought against Ageas, nor can it determine whether they can be successfully contested or whether they might or might not result in significant losses in the Ageas Consolidated Financial Statements. For this reason, and except for a provision relating to the FortisEffect proceeding and for a provision for the amount of the forementioned FSMA fine, no provisions have been booked. Ageas will make other provisions if and when, in the opinion of management and the Board of Directors, consulting with its legal advisors, it considers that, for these matters it is more likely than not that payments will need to be made by Ageas and that the relevant amounts can be reliably estimated.

However, if any of these proceedings were to lead to negative consequences for Ageas or were to result in awarding monetary damages to plaintiffs claiming losses incurred as a result of Fortis miscommunication or mismanagement, this could have substantial consequences on Ageas' financial position. Such consequences remain unquantifiable at this stage.

Taking into account the conclusions reached by certain judicial decisions referred to above in this chapter, the underwriters of the Directors & Officers and of the Public Offering of Securities Insurance policies, that insure the potential risks of Ageas and its directors and executives at stake under the liability claims subject of the various pending proceedings, have expressed their view that these conclusions could lead to a loss of coverage under the relevant policies. Ageas disagrees with this view that is now under discussion with the insurers.

27.2 Liabilities for hybrid instruments of former subsidiaries

BNP Paribas Fortis SA/NV issued CASHES (Convertible And Subordinated Hybrid Equity-linked Securities) representing 4,447 securities for a total nominal amount of EUR 1,112 million. BNP Paribas Fortis SA/NV was a former subsidiary of ageas SA/NV which explains why ageas SA/NV acted as co-obligor of these securities.

The securities have no maturity date and cannot be repaid in cash, they can only be exchanged into Ageas shares at a price of EUR 239.40 per Ageas share. A mandatory exchange takes place if the price of the Ageas share is equal to or higher than EUR 359.10 on twenty consecutive stock exchange business days. BNP Paribas Fortis SA/NV owns 4,643,904 Ageas shares for the purpose of the potential exchange.

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 BNP Paribas Fortis SA/NV holds, these shares are pledged in favour of such holders.

BNP Paribas Fortis SA/NV pays the coupon on the CASHES, in quarterly arrears, at a variable rate of 3 month Euribor + 2.0%, up to the exchange of the securities for Ageas shares. In the event that Ageas declares no dividend on its 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 circumstances, coupons will mandatorily need to be settled by ageas SA/NV via issuance of new shares in accordance with the so called Alternative Coupon Settlement Method (ACSM), while BNP Paribas Fortis 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. If the ACSM is triggered and there is insufficient available authorised capital to enable 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.

27.3 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.

Furthermore, certain individual customers of Ageas France, a fully owned subsidiary of Ageas Insurance International, filed claims against Ageas France in connection with its alleged unilateral modification of the terms and conditions of the “Corbeille Selection” product by levying undue transaction fees. In addition to claiming reimbursement of these fees, plaintiffs also claimed prejudice for past and looking forward lost opportunities for arbitrating between Unit-linked funds and a guaranteed fund using latest known value dates. In November 2014 Paris Appeal Court confirmed the first instance decision allowing the claims and appointed experts to determine the scope of indemnification. On 26 January 2015 Ageas filed an appeal before the Supreme Court.

28 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 2015.

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 2015 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 2015 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.

The Board of Directors reviewed the Ageas Consolidated Interim Financial Statements for the first three months of 2015 on 7 May 2015 and authorised their issue.

Brussels, 7 May 2015

Board of Directors

Chairman	Jozef De Mey
Vice-Chairman	Guy de Selliers de Moranville
Chief Executive Officer	Bart De Smet
Chief Financial Officer	Christophe Boizard
Chief Risk Officer	Filip Coremans
Directors	Roel Nieuwdorp
	Lionel Perl
	Jan Zegering Hadders
	Jane Murphy
	Steve Broughton
	Lucrezia Reichlin
	Richard Jackson
	Davina Bruckner

Review report

Statutory auditor's report to the board of directors of ageas SA/NV on the review of the condensed consolidated interim financial information as at 31 March 2015 and the three-month period then ended

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial information of Ageas, which comprises the consolidated statement of financial position as at 31 March 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the three-month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial information"). 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.

Scope of Review

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

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 2015 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 your attention to note 16 to the condensed consolidated interim financial statements as at 31 March 2015 and for the three-month period then ended, which describes the uncertainties on the final amount and timing of outflows relating to the provision recognized following the “Stichting FortisEffect” appeal. Our opinion is not qualified in respect of this matter.

Furthermore we draw your attention to note 27 on contingent liabilities to the condensed consolidated interim financial statements as at 31 March 2015 and for the three-month period then ended in which is described that Ageas is involved in a number of other 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.

Brussels, 7 May 2015

KPMG Réviseurs d’Entreprises / Bedrijfsrevisoren
Statutory Auditor
represented by

Karel Tanghe
Réviseur d’Entreprises/ Bedrijfsrevisor