ageas®

Your Partner in Insurance

Consolidated Interim Financial Statements

for the first nine months of 2014

BRUSSELS
5 November
2014

CONTENTS

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

Income Statement 4)	First nine months 2014	First nine months 2013	First nine months 2012	First nine months 2011
Gross Inflow	7,717.3	7,803.1	8,181.8	8,423.4
Total income	10,443.6	9,889.1	11,443.2	8,046.9
Net result attributable to shareholders	281.9	512.7	518.4	(533.7)
- of which Insurance	578.9	497.4	449.5	(208.7)
- of which General (incl. Eliminations)	(297.0)	15.3	68.9	(325.0)

Statement of financial position 1) 4)	30 September 2014	31 December 2013	31 December 2012	31 December 2011
Total assets	101,462.6	94,782.6	97,085.7	90,602.2
Insurance technical liabilities	79,877.5	76,022.7	76,318.3	70,599.6
Shareholders' equity	9,899.9	8,525.1	9,799.4	7,760.3
Non controlling interests	679.2	804.9	871.5	607.4
Total equity	10,579.1	9,330.0	10,670.9	8,367.7

Share information	First nine months 2014	First nine months 2013	First nine months 2012	First nine months 2011
Basic Earnings per share (in EUR) 2)	1.26	2.24	2.17	(2.07)
Return on equity 3)	4.1%	7.4%	8.0%	(8.6%)
Return on equity (Insurance) 3)	9.1%	8.4%	8.8%	-4.7%
Number of outstanding shares (in millions) 2)	221.2	227.9	236.0	251.2

Other data 4)	First nine months 2014	First nine months 2013	First nine months 2012	First nine months 2011
Combined ratio	99.6%	97.0%	97.9%	100.2%
Cost ratio life	0.49%	0.50%	0.51%	0.50%
Solvency ratio Insurance	214.0%	208.9%	203.8%	205.5%
Solvency ratio Group	206.3%	225.2%	228.6%	235.3%
Employees (FTE)	12,272	12,584	12,801	12,381

1) *As of 2013, a revised IAS 19 'Employee Benefits' became effective. The most significant change in the revised standard is the immediate recognition in equity of 'unrecognised actuarial gains and losses' as of the effective date, instead of using the so called corridor approach. The comparative figures for 2012 have been restated accordingly.*

2) *The figures for 2011 have been changed for comparison purposes, taking into account the ten for one reverse stock split in 2012 (see note 3 Outstanding shares and earnings per share).*

3) *Based on an annualised net result divided by the average shareholders' equity of 1 January and 30 September.*

4) *The comparative figures for 2013 have been changed due to the change in consolidation method of Tesco Insurance (see also Note 1 Summary of accounting policies). From 1 January 2014 onwards, Tesco Insurance is included in the consolidation scope as an equity associate instead of being fully consolidated.*

Report of the Board of Directors of Ageas

Results for the first nine months of 2014

The Group net profit amounted to EUR 282 million for the first nine months of 2014. Ageas's first nine months 2014 results were marked by higher inflows and a better Insurance net result compared to last year. The net overall Insurance result amounted to EUR 579 million. The net loss in the General Account amounted to EUR 297 million due to the increased charge related to the RPN(I) liability during the year and the provision of EUR 130 million booked in the first half following the FortisEffect judgment.

Total shareholders' equity at the end of September increased further to EUR 9.9 billion or EUR 44.75 per share. Since the beginning of the year, the net unrealised gains on the fixed income portfolio have increased by around EUR 1.3 billion. As at 30 September, the total amount of net unrealised gains amounted to EUR 2.6 billion. Further increase in shareholders' equity is driven by the strong Group net profit and a positive currency impact.

The Insurance and Group solvency ratios amounted to 214% and 206% respectively, with available capital EUR 4.5 billion above the minimum capital requirements. The decline in solvency at Group level compared to the end of 2013 related to the adverse evolution of the RPN(I) liability, the provision following for the FortisEffect judgment and the execution of the share buy-back programme.

Insurance

The net overall Insurance result amounted to EUR 579 million, up 16%, compared to last year.

Life

The net result in Life improved substantially from EUR 311 million to EUR 442 million driven by Belgium and the strong contribution from the non-consolidated partnerships, especially in China.

In Belgium, the net result improved by almost 50% to EUR 282 million (vs. EUR 190 million) stemming from a better operating margin, higher financial revenues on assets backing own funds and a lower effective tax rate.

In Continental Europe, the net result remained nearly stable at EUR 35 million (vs. EUR 36 million). The improved result in France driven by a positive tax credit in the first quarter could not offset the lower operating result in Portugal.

Aside from the improved operating result in Hong Kong, the non-consolidated partnerships in Asia realised a higher net result of EUR 111 million (vs. EUR 79 million).

Non-life

The net result declined to EUR 112 million (vs. EUR 174 million). The overall improving results in the third quarter could not fully offset the impact of adverse weather earlier in the year (around EUR 60 million).

The net result year-to-date in Belgium and the UK amounted to EUR 39 million and EUR 52 million respectively, both benefiting from a very strong third quarter. In Continental Europe the net profit declined to EUR 8 million, impacted by low results in Turkey due to reserve strengthening in the third quarter but also taking into account a realised capital gain of EUR 9 million on the sale of real estate last year. The net result in Asia amounted to EUR 12 million (vs. EUR 14 million) with a strong underwriting performance, more than offset by the exchange rate evolution and lower capital gains.

The UK's Other Insurance, which includes its Retail operations reported total fee and commission income of EUR 209 million up 16%. The net result year-to-date amounted to EUR 26 million (vs. EUR 12 million), including EUR 23 million from a legal settlement of which EUR 17 million was in the third quarter. A new strategy for the Retail activities is being implemented to respond to the continued challenges of this highly competitive market and to reduce expenses and build long term growth.

General Account

The net result of EUR 297 million negative of the General Account for the first nine months includes the negative impact from the EUR 124 million increase in the value of the RPN(I) liability (from EUR 370 million at the end of 2013 to EUR 494 million at the end of September) as well as the EUR 130 million provision following the FortisEffect judgment.

RPN(I)

The RPN(I)-reference amount stood at EUR 494 million at the end of September versus EUR 527 million at the end of June and EUR 370 million at the end of 2013.

As a consequence the accounting loss (non-cash impact) amounted to EUR 157 million in the first half year, while an accounting profit (non-cash impact) of EUR 33 million was recorded in the third quarter of 2014. Movements in the reference amount are predominantly explained by the price movements of the CASHES from 67.88% at year-end 2013 to 81.23% at the end of June, and back to 77.06% at the end of September.

For further details, we refer to note 16.

Contingent Liabilities and other legal proceedings

The main developments in the legal litigations driving the contingent liabilities in the first nine months of 2014 were the following:

- In February 2014, the Trade and Industry Appeals Tribunal in The Hague (College van Beroep voor het bedrijfsleven) annulled the fine imposed by the Dutch Authority for the Financial Markets (AFM) concerning Fortis's subprime disclosure in September 2007. Concluding that Fortis had, at the time, not acted unreasonably, the Appeal Tribunal closed the case definitively while ruling in favour of Fortis.
- In March 2014, the same court rejected Ageas's appeal against the fine imposed by the Dutch Authority for the Financial Markets (AFM) concerning Fortis's disclosure in June 2008. This decision is final. Ageas has paid the fine of EUR 576,000.
- On 29 July 2014, the Court of Appeal in Amsterdam decided that the sale of the Dutch Fortis entities in September-October 2008 remains unaffected. However, it also ruled that Fortis provided misleading and incomplete information therewith during the period of 29 September through 1 October 2008. The Court decided that Ageas should indemnify the damages suffered as a result thereof by the shareholders concerned. Such damages will be decided upon and determined in further proceedings. On 29 October 2014 Ageas filed an appeal against the Court's decision with the Dutch Supreme Court. Although no damages have been established to date in current proceedings, Ageas has recognised 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.

Please refer to note 26 for the entire section of 'Contingent liabilities and other legal proceedings'.

Other items

Net interest income amounted to EUR 6.6 million positive vs. EUR 3 million negative last year. The improvement is related to the capital management actions in the course of 2013 in which a higher proportion of the General Account subordinated debt was on lend to the Operating entities.

Net cash position General Account

The net cash position in the General Account decreased from EUR 1.9 billion to EUR 1.5 billion, mainly because of distribution to shareholders: 2013 dividend (EUR 309 million) and buy-backs (EUR 157 million).

Brussels, 4 November 2014

Board of Directors

Consolidated interim financial statements for the first nine months of 2014

Consolidated statement of financial position

(before appropriation of profit)

	Note	30 September 2014	31 December 2013
Assets			
Cash and cash equivalents	6	2,275.2	2,156.6
Financial investments	7	66,624.0	61,667.7
Investment property	7	2,489.4	2,354.5
Loans	8	5,940.0	5,784.4
Investments related to unit-linked contracts		14,581.0	14,097.5
Investments in associates	9	1,981.7	1,530.2
Reinsurance and other receivables		2,029.7	2,020.0
Current tax assets		49.5	73.9
Deferred tax assets	15	69.1	80.1
Accrued interest and other assets		2,261.3	2,516.2
Property, plant and equipment		1,092.8	1,088.9
Goodwill and other intangible assets		1,459.0	1,412.6
Assets held for sale	2	609.9	
Total assets		**101,462.6**	**94,782.6**
Liabilities			
Liabilities arising from Life insurance contracts	11.1	27,971.3	26,262.7
Liabilities arising from Life investment contracts	11.2	30,074.7	28,792.8
Liabilities related to unit-linked contracts	11.3	14,649.3	14,170.0
Liabilities arising from Non-life insurance contracts	11.4	7,182.2	6,797.2
Debt certificates	12	2.2	68.4
Subordinated liabilities	13	2,010.9	1,971.0
Borrowings	14	2,521.1	2,363.7
Current tax liabilities		118.9	70.7
Deferred tax liabilities	15	1,571.2	1,124.0
RPN(I)	16	493.8	370.1
Accrued interest and other liabilities		2,240.8	2,162.0
Provisions	17	169.9	45.0
Liability related to written put option on NCI	18	1,443.0	1,255.0
Liabilities related to assets held for sale	2	434.2	
Total liabilities		**90,883.5**	**85,452.6**
Shareholders' equity	3	9,899.9	8,525.1
Non-controlling interests		679.2	804.9
Total equity		**10,579.1**	**9,330.0**
Total liabilities and equity		**101,462.6**	**94,782.6**

The comparative figures for 2013 have been changed in all tables shown in these Consolidated Interim Financial Statements due to the change in consolidation method of Tesco Insurance (see also Note 1 Summary of accounting policies). From 1 January 2014 onwards, Tesco Insurance is included in the consolidation scope as an equity associate instead of being fully consolidated.

Consolidated income statement

	Note	First nine months 2014	First nine months 2013	Third quarter 2014	Third quarter 2013
Income					
- *Gross premium income*		*6,825.3*	*6,538.2*	*2,207.6*	*2,149.3*
- *Change in unearned premiums*		*(98.7)*	*(59.3)*	*29.6*	*32.5*
- *Ceded earned premiums*		*(269.8)*	*(251.0)*	*(91.6)*	*(83.5)*
Net earned premiums	*19*	6,456.8	6,227.9	2,145.6	2,098.3
Interest, dividend and other investment income	*20*	2,232.6	2,252.4	746.8	746.8
Realised gain (loss) on Call option BNP Paribas shares			(90.0)		
Unrealised gain (loss) on RPN(I)		(123.7)	(114.0)	33.1	(108.0)
Result on sales and revaluations	*21*	291.3	135.9	111.3	41.8
Investment income related to unit-linked contracts		1,020.3	637.4	198.7	430.7
Share of result of associates		120.8	394.3	41.4	41.4
Fee and commission income		287.6	294.9	98.8	97.6
Other income		157.9	150.3	52.0	58.7
Total income		**10,443.6**	**9,889.1**	**3,427.7**	**3,407.3**
Expenses					
- *Insurance claims and benefits, gross*		*(6,439.2)*	*(6,067.8)*	*(2,068.3)*	*(2,045.4)*
- *Insurance claims and benefits, ceded*		*187.9*	*115.1*	*56.2*	*43.3*
Insurance claims and benefits, net	*22*	(6,251.3)	(5,952.7)	(2,012.1)	(2,002.1)
Charges related to unit-linked contracts		(1,028.3)	(653.7)	(203.8)	(439.0)
Financing costs	*23*	(124.3)	(168.9)	(42.8)	(47.2)
Change in impairments	*24*	(52.3)	(46.1)	(28.9)	(12.6)
Change in provisions	*17*	(132.3)	0.1	(1.3)	3.1
Fee and commission expenses		(968.9)	(914.6)	(322.2)	(295.0)
Staff expenses		(613.5)	(603.6)	(204.1)	(200.1)
Other expenses		(739.2)	(717.9)	(260.5)	(265.4)
Total expenses		**(9,910.1)**	**(9,057.4)**	**(3,075.7)**	**(3,258.3)**
Result before taxation		**533.5**	**831.7**	**352.0**	**149.0**
Tax income (expenses)		(109.0)	(192.1)	(51.1)	(64.5)
Net result for the period		**424.5**	**639.6**	**300.9**	**84.5**
Attributable to non-controlling interests		142.6	126.9	49.8	43.4
Net result attributable to shareholders		**281.9**	**512.7**	**251.1**	**41.1**
Per share data (EUR)					
Basic earnings per share	*3*	1.26	2.24		
Diluted earnings per share	*3*	1.26	2.24		

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

	Note	First nine months 2014	First nine months 2013	Third quarter 2014	Third quarter 2013
Gross premium income		6,825.3	6,538.2	2,207.6	2,149.3
Inflow deposit accounting (directly recognised as liability)		892.0	1,264.9	190.5	389.5
Gross inflow	*19*	**7,717.3**	**7,803.1**	**2,398.1**	**2,538.8**

Consolidated statement of comprehensive income

Other comprehensive income	First nine months 2014	First nine months 2013	Third quarter 2014	Third quarter 2013
Items that will not be reclassified to the income statement:				
Remeasurement of defined benefit liability	(108.7)	30.4	(15.6)	32.9
Related tax	32.3	(8.9)	4.8	(9.8)
Remeasurement of defined benefit liability	**(76.4)**	**21.5**	**(10.7)**	**23.1**
Total Items that will not be reclassified to the income statement:	**(76.4)**	**21.5**	**(10.7)**	**23.1**
Items that are or may be reclassified to the income statement:				
Change in amortisation of investments held to maturity	19.8	22.8	6.7	7.7
Related tax	(5.0)	(5.6)	(1.7)	(1.9)
Change in investments held to maturity	14.8	17.2	5.0	5.8
Change in revaluation of investments available for sale [1)]	1,972.7	(840.1)	524.3	296.1
Related tax	(583.0)	264.3	(158.2)	(70.7)
Change in revaluation of investments available for sale	1,389.7	(575.8)	366.1	225.4
Share of other comprehensive income of associates	236.2	(224.4)	81.0	(105.3)
Change in foreign exchange differences	275.3	(121.4)	207.4	(52.2)
Total Items that are or may be reclassified to the income statement:	**1,916.0**	**(904.4)**	**659.5**	**73.7**
Other comprehensive income for the period	**1,839.6**	**(882.9)**	**648.8**	**96.8**
Net result for the period	424.5	639.6	300.9	84.5
Total comprehensive income for the period	**2,264.1**	**(243.3)**	**949.7**	**181.3**
Net result attributable to non-controlling interests	142.6	126.9	49.8	43.4
Other comprehensive income attributable to non-controlling interests	317.6	(87.5)	85.3	62.5
Total comprehensive income attributable to non-controlling interests	**460.2**	**39.4**	**135.1**	**105.9**
Total comprehensive income attributable to shareholders	**1,803.9**	**(282.7)**	**814.6**	**75.4**

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 2013	**2,042.2**	**2,968.1**	**1,950.2**	**173.6**	**743.0**	**1,922.2**	**9,799.3**	**757.2**	**10,556.5**
Net result for the period					512.7		512.7	126.9	639.6
Revaluation of investments						(692.3)	(692.3)	(90.7)	(783.0)
Remeasurement IAS 19			18.3				18.3	3.2	21.5
Foreign exchange differences				(121.4)			(121.4)		(121.4)
Total non-owner changes in equity			18.3	(121.4)	512.7	(692.3)	(282.7)	39.4	(243.3)
Transfer			743.0		(743.0)				
Dividend			(269.8)				(269.8)	(114.0)	(383.8)
Capital refund	(233.5)						(233.5)		(233.5)
Shares not entitled to capital refund			9.8				9.8		9.8
Treasury shares			(104.8)				(104.8)		(104.8)
Cancellation of shares	(80.9)	(116.4)	197.3						
Share-based compensation		1.3					1.3		1.3
Impact written put option on NCI			(190.4)				(190.4)	94.4	(96.0)
Other changes in equity			(2.5)				(2.5)		(2.5)
Balance at 30 September 2013	**1,727.8**	**2,853.0**	**2,351.1**	**52.2**	**512.7**	**1,229.9**	**8,726.7**	**777.0**	**9,503.7**
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					281.9		281.9	142.6	424.5
Revaluation of investments						1,310.7	1,310.7	330.0	1,640.7
Remeasurement IAS 19			(63.4)				(63.4)	(13.0)	(76.4)
Foreign exchange differences				274.7			274.7	0.6	275.3
Total non-owner changes in equity			(63.4)	274.7	281.9	1,310.7	1,803.9	460.2	2,264.1
Transfer			569.5		(569.5)				
Dividend			(307.8)				(307.8)	(224.7)	(532.5)
Treasury shares			(157.3)				(157.3)		(157.3)
Cancellation of shares	(18.4)	(61.0)	79.4						
Share-based compensation		2.2					2.2		2.2
Impact written put option on NCI			121.3				121.3	(309.3)	(188.0)
Acquisition Médis and Ocidental Seguros			(75.4)			3.0	(72.4)	(53.6)	(126.0)
Other changes in equity			(10.5)			(4.6)	(15.1)	1.7	(13.4)
Balance at 30 September 2014	**1,709.4**	**2,795.3**	**2,236.2**	**272.0**	**281.9**	**2,605.1**	**9,899.9**	**679.2**	**10,579.1**

The line Acquisition Médis and Ocidental Seguros relates to the acquisition of the non-controlling interests in Médis and Ocidental Seguros as per 30 June 2014. More information can be found note 2.1. Other changes in shareholders' equity include the payment to holders of the CASHES- and FRESH-shares.

Consolidated statement of cash flow

	Note	First nine months 2014	First nine months 2013
Cash and cash equivalents as at 1 January	6	**2,156.6**	**2,033.5**
Result before taxation		533.5	831.7
Adjustments to non-cash items included in result before taxation:			
Call option BNP Paribas shares	10		90.0
Remeasurement RPN(I)	16	123.7	114.0
Result on sales and revaluations	21	(291.3)	(135.9)
Share of results in associates		(120.8)	(394.3)
Depreciation, amortisation and accretion		640.7	554.3
Impairments	24	52.3	46.1
Provisions	17	132.4	(0.1)
Share-based compensation expense		2.2	1.3
Total adjustment to non-cash items included in result before taxation		1,072.7	1,107.1
Changes in operating assets and liabilities:			
Derivatives held for trading (assets and liabilities)	7	56.0	5.8
Loans	8	67.8	382.3
Reinsurance and other receivables		(164.4)	(98.0)
Investments related to unit-linked contracts		(415.3)	(374.5)
Borrowings	14	109.0	211.3
Liabilities arising from insurance and investment contracts	11.1 & 11.2	3,263.3	36.2
Liabilities related to unit-linked contracts	11.3	422.3	352.7
Call option BNP Paribas shares	10		144.0
Net changes in all other operational assets and liabilities		(2,483.4)	21.8
Dividend received from associates		42.7	109.9
Income tax paid		(173.3)	(295.4)
Total changes in operating assets and liabilities		724.7	496.1
Cash flow from operating activities		**1,797.4**	**1,603.2**
Purchases of financial investments		(9,153.7)	(9,037.4)
Proceeds from sales and redemptions of financial investments		8,448.1	8,529.7
Purchases of investment property		(66.0)	(198.5)
Proceeds from sales of investment property		12.9	117.1
Purchases of property, plant and equipment		(68.9)	(72.1)
Proceeds from sales of property, plant and equipment		26.3	3.0
Acquisition of subsidiaries and associates (including capital increases in associates)	2	(179.2)	(234.1)
Divestments of subsidiaries and associates (including capital repayments of associates)	2	98.2	744.1
Purchases of intangible assets		(11.9)	(9.4)
Proceeds from sales of intangible assets		1.8	0.1
Cash flow from investing activities		**(892.4)**	**(157.5)**
Redemption of debt certificates	4, 12 & 14	(65.9)	(62.3)
Proceeds from the issuance of subordinated liabilities	13		420.2
Redemption of subordinated liabilities	13		(1,370.7)
Proceeds from the issuance of other borrowings	14	7.4	188.6
Payment of other borrowings		(60.9)	(48.4)
Purchases of treasury shares	3 & 4	(157.3)	(104.8)
Dividends paid to shareholders of the parent companies	4	(310.1)	(269.8)
Dividends paid to non-controlling interests	4	(224.7)	(116.3)
Cash flow from financing activities		**(811.5)**	**(1,363.5)**
Effect of exchange rate differences on cash and cash equivalents		25.1	(8.7)
Cash and cash equivalents as at 30 September	6	**2,275.2**	**2,107.0**
Supplementary disclosure of operating cash flow information			
Interest received	20	1,983.2	2,017.2
Dividend received from financial investments	20	76.6	68.0
Interest paid	23	(136.8)	(217.4)

General Notes

1 Summary of accounting policies

The Ageas Consolidated Interim Financial Statements for the first nine months of 2014 comply with International Financial Reporting Standards (IFRS) as at 1 January 2014, 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 2013. Amended IFRS effective on 1 January 2014 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
http://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 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 2014 (and are endorsed by the EU):

IFRS 10 Consolidated Financial Statements

IFRS 10 Consolidated Financial Statements introduces amendments to the criteria for consolidation. IFRS 10 redefines control as being exposed to variable returns and having the ability to affect those returns through power over the investee.

In accordance with IFRS 10, Ageas, as of 1 January 2014, no longer consolidates Tesco Insurance, but reports its interest as an equity associate, including a restatement of the 2013 figures. The change in consolidation method has no impact on Shareholders' equity and/or Net result.

IFRS 11 Joint Arrangements and the related amendments

IFRS 11 Joint Arrangements and the related amendments to IAS 28 Investments in Associates and Joint Ventures eliminate the proportionate consolidation method for joint ventures. Under the new requirements, all joint ventures will be reported using the equity method of accounting. Ageas is already accounting for Investments in associates based on the equity method. The implementation of IFRS 11 did not have impact on Shareholders' equity and/or Net result.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 Disclosure of Interests in Other Entities introduces extended disclosure requirements for Annual Financial Statements for subsidiaries, associates, joint ventures and structured entities. The disclosures of Ageas are already in agreement with these requirements.

IFRIC 21 Levies

IFRIC 21 provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain. IFRIC 21 does not deal with how to account with costs arising from the recognition of a liability to pay a levy, and instead other standards are applied in determining whether the recognition of a liability gives rise to an asset or expense.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

In addition to the new disclosure requirements under IFRS 7, the IASB also decided to separately provide additional application guidance for offsetting assets and liabilities in accordance with IAS 32.

This guidance clarifies the meaning of 'currently has a legally enforceable right of set-off'; and requires disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32.

Amendments to IAS 36 Recoverable amount disclosures for non-financial assets

The IASB, as a consequential amendment to IFRS 13 Fair Value Measurement, modified some of the disclosure requirements in IAS 36 Impairment of Assets regarding measurement of the recoverable amount of impaired assets. The amendments resulted from the IASB's decision in December 2010 to require additional disclosures about the measurement of impaired assets (or a group of assets) with a recoverable amount based on fair value less costs of disposal.

Amendments to IAS 39 'Novation of Derivatives and Continuation of Hedge Accounting'

Under the amendments there would be no need to discontinue hedge accounting if a hedging derivative was novated, provided certain criteria are met.

Upcoming changes in IFRS EU in 2015

There are no new standards becoming effective for Ageas as at 1 January 2015 that will have a material impact on Shareholders' equity and/or Net result.

Accounting estimates

The preparation of the Ageas Consolidated Interim 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.

30 September 2014	
Assets	**Estimation uncertainty**
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's 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.

Since Ageas's structure is based on regions, Ageas concluded that the appropriate way of reporting operating segments under IFRS is per region being Belgium, United Kingdom, Continental Europe and Asia.

Activities not related to Insurance are reported separately from the Insurance activities in the fifth operating segment: General Account. The General Account comprises activities not related to the core Insurance business, such as group finance and other holding activities. In addition, the General Account also includes the investment in Royal Park Investments, the call option on BNP Paribas shares (settled in 2013), 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

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 =	30 September 2014	31 December 2013	First nine months 2014	First nine months 2013
Pound sterling	0.78	0.83	0.81	0.85
US dollar	1.26	1.38	1.35	1.32
Hong Kong dollar	9.77	10.69	10.51	10.22
Turkey lira	2.88	2.96	2.93	2.46
China yuan renminbi	7.73	8.35	8.35	8.12
Malaysia ringgit	4.13	4.52	4.39	4.13
Thailand baht	40.80	45.18	43.91	40.05

2 Acquisitions and disposals

The following significant acquisitions and disposals were made in 2014 and 2013. Details on acquisitions and disposals, if any, which took place after the date of the statement of financial position, are included in note 30 Events after the date of the statement of financial position.

2.1 Acquisitions in 2014

UBI Assicurazioni

On 5 August 2014, Ageas and BNP Paribas Cardif have 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 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.

On completion, BNP Paribas Cardif and Ageas will 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.

This transaction is subject to regulatory approval and is expected to close in 2014.

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 EUR 126.0 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 was deducted from Shareholders' equity.

Other acquisitions

On 2 April 2014, Ageas France acquired an additional share 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 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.

2.2 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.

Interparking is one of the leading players in public car park management in Europe. Based in Brussels, the company generated EUR 344 million in revenues in 2013. It is active in nine different countries and employs a staff of 2,300.

AG Real Estate, the real estate investment arm of AG Insurance, acquired a majority stake in Interparking in 2002. The parties have agreed on a purchase price of approximately EUR 376 million for the 39% share, based on a 2013 EBITDA valuation multiple of around 13x.

The transaction is subject to the usual closing conditions as well as regulatory approvals from the competition authorities.

Ageas Protect

Ageas has agreed to sell its 100% shareholding in Ageas Protect to AIG. The closing of the deal is well on track but remains subject to regulatory approval. All assets and liabilities of Ageas Protect are classified as held for sale in the Consolidated Statement of financial position.

Louvresses development

On 19 June AG Real Estate signed a sales agreement to sell 80% of Campus Cristal (Louvresses Development). The deal was closed on 23 July 2014, resulting in a capital gain of EUR 76 million (see also note 21).

2.3 Acquisitions in 2013

DTH Partners LLC

On 26 April 2013, AG Real Estate acquired through a capital contribution of USD 103 million (EUR 79 million) a 33% equity stake in DTH Partners LLC. This equity stake is included in the line Investments in associates.

The following additional agreements are related to this acquisition:

- a Mezzanine Loan Agreement between DTH Partners LLC and AG Insurance for an amount of USD 117.5 million;
- a bridge loan agreement between EBNB 70 Pine Development and AG Real Estate (North Star NV) for USD 23 million. This amount is part of a total bridge facility of USD 50 million by the shareholders of DTH to pre-finance a tax-credit structure to be executed with Chevron, which has been delayed by the US Internal Revenue Service approval process.

At year-end 2013, the purchase accounting was completed. No goodwill or badwill was recognised as part of the valuation.

Other acquisitions

In December 2013, the subsidiaries North Light and Pole Star were deconsolidated due to the disposal of 60% of their shares. A capital gain of EUR 53 million was realised on this transaction, the capital gain is accounted for in the income statement in the line Result on sales and revaluations. At the same moment, two new equity associates entered the consolidation perimeter based on the 40% of the two companies retained.

In addition to the before mentioned transaction, some small acquisitions in the normal course of real estate business were done in 2013.

2.4 Disposals in 2013

In the third quarter of 2013, Louvresses Développement (assets: EUR 81 million) was sold resulting in a capital gain of EUR 25 million (classified under Result of sales and revaluations).

In December 2013, the subsidiaries North Light and Pole Star have been deconsolidated due to the disposal of 60% of their shares.

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 2013	**243,121**	**(11,290)**	**231,831**
Cancelled shares	(9,635)	9,635	
Balance (acquired)/sold		(5,397)	(5,397)
Number of shares as at 31 December 2013	**233,486**	**(7,052)**	**226,434**
Cancelled shares	(2,490)	2,490	
Balance (acquired)/sold		(5,194)	(5,194)
Number of shares as at 30 September 2014	**230,996**	**(9,756)**	**221,240**

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 (2014-2016) by the General Shareholders' meeting of 30 April 2014 to increase the share capital with a maximum amount of EUR 170,200,000 for general purposes.

Applied to a fraction value of EUR 7.40 this enables the issuance of up to 23,000,000 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 26 Contingent liabilities and other legal proceedings).

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 30 September 2014.

in thousands	
Number of shares issued as at 30 September 2014	**230,996**
Shares that may be issued per Shareholders' meeting of 30 April 2014	23,000
In connection with option plans	1,730
Total potential number of shares as at 30 September 2014	**255,726**

3.1.1 Share buyback program 2014

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

Ageas has informed the National Bank that this operation can be considered as non-strategic, according to article 36/3 §2 of the law of 22 February 1998 determining the statute of the National Bank.

3.1.2 Share buyback program 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 new share buy-back program 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 totaling EUR 200 million.

The bought back shares will be held as treasury shares until such time a decision to cancel these securities is formally approved by the shareholders. The General Shareholders' meeting of 30 April 2014 agreed to cancel 2,489,921 own shares.

3.1.3 Share buyback program 2012

Ageas launched a program to buy back its outstanding ordinary shares for a maximum amount of up to EUR 200 million as of 13 August 2012.

On 24 April 2013, the General Meeting of Shareholders approved the cancellation of 9,165,454 shares. The Extraordinary General meeting of Shareholders in September 2013 approved the cancellation of the remaining shares (469,705).

3.1.4 Reduction of capital

The Extraordinary General Meeting of Shareholders of ageas SA/NV of 16 September 2013 approved besides the before mentioned cancellation of the ageas SA/NV shares, a second reduction of capital, by means of reimbursement to shareholders resulting in a distribution of EUR 1.00 per share. This distribution took place on 13 December 2013. The total amount paid was EUR 222 million.

3.2 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 (9.8 million) consists of shares held for the FRESH (4.0 million), the restricted share program (0.5 million) and the remaining shares resulting from the share buyback program (4.8 million, see below). Details of the FRESH securities are provided in note 13 Subordinated liabilities.

3.3 Shares entitled to dividend and voting rights

The table below gives an overview of the shares entitled to dividend and voting rights as at 30 September 2014.

in thousands	
Number of shares issued as at 30 September 2014	**230,996**
Shares not entitled to dividend and voting rights:	
Shares held by ageas SA/NV	5,740
Shares related to the FRESH (see Note 13)	3,968
Shares related to CASHES (see Note 26)	4,644
Shares entitled to voting rights and dividend	**216,644**

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 13 Subordinated liabilities and note 26 Contingent liabilities and other legal proceedings).

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.

3.4 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 nine months of 2014 and 2013 is as follows.

	First nine months 2014	First nine months 2013
Return on equity Ageas group	4.1%	7.4%
Return on equity Insurance	9.1%	8.4%

3.5 Earnings per share

The following table details the calculation of earnings per share.

	First nine months 2014	First nine months 2013
Net result attributable to shareholders	281.9	512.7
Amortisation of costs of restricted shares	2.2	1.3
Net result used to determine diluted earnings per share	**284.1**	**514.0**
Weighted average number of ordinary shares for basic earnings per share (in thousands)	224,016	229,273
Adjustments for:		
- restricted shares (in thousands) expected to be awarded	562	328
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	**224,578**	**229,601**
Basic earnings per share (in euro per share)	1.26	2.24
Diluted earnings per share (in euro per share)	1.26	2.24

In the first nine months of 2014, weighted average options on 1,738,337 shares (first nine months of 2013: 2,064,018) with a weighted average exercise price of EUR 21.89 per share (first nine months of 2013: EUR 20.83 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 2014 and 2013, 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 2013: 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 26 Contingent liabilities and other legal proceedings).

4 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.

	30 September 2014	31 December 2013
Share capital and reserves	7,012.9	6,659.6
Net result attributable to shareholders	281.9	569.5
Unrealised gains and losses	2,605.1	1,296.0
Shareholders' equity	9,899.9	8,525.1
Non-controlling interests	679.2	804.9
Total equity	10,579.1	9,330.0
Subordinated liabilities	2,010.9	1,971.0
Prudential filters		
Local required equalisation reserves for catastrophes	(241.1)	(241.3)
Pension adjustment		(18.0)
Revaluation of investment property, net of tax (at 90%)	751.8	764.1
Adjustment valuation of available for sale investments	(3,071.0)	(1,706.2)
Cash flow hedge	(16.7)	36.2
Goodwill	(903.2)	(857.6)
Other intangible assets	(358.1)	(347.6)
Proposed dividend		(308.0)
Regulatory capital	**8,751.6**	**8,622.6**
Solvency ratio's		
Solvency requirements	4,242.1	4,026.2
Solvency excess	4,509.5	4,596.4
Solvency ratio	206.3%	214.2%

Ageas capital management

Ageas considers a strong capital base in the individual insurance operations a necessity, on one hand as a competitive advantage and on the other hand 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 and will most likely be part of the regulatory capital base ('own funds') under Solvency II, whereas it is not included as available capital under Solvency I.

Capital position Insurance

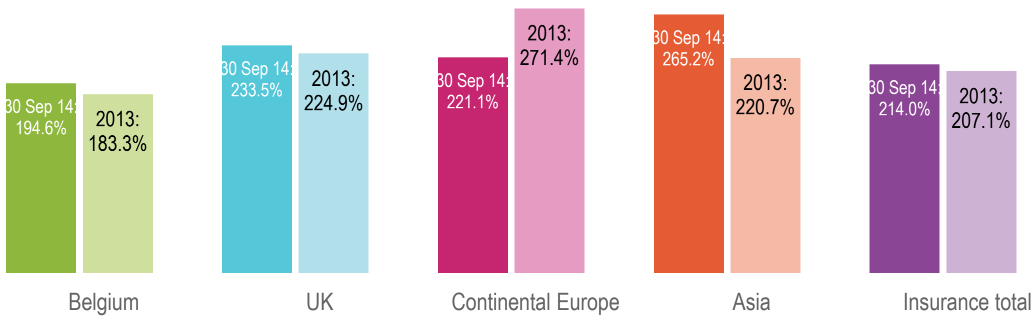
At 30 September 2014, the total available capital of the insurance operations stood at EUR 9.1 billion (31 December 2013: EUR 8.3 billion), 214.0% of the required minimum (31 December 2013: 207.1%).

30 September 2014	Belgium	UK	Continental Europe	Asia	Consolidation Adjustments	Insurance total	General (incl. elim)	Total Ageas
Total available capital	4,874.2	1,060.2	1,314.1	1,829.4	2.0	9,079.9	(328.3)	8,751.6
Minimum solvency requirements	2,504.1	454.1	594.0	689.9		4,242.1		4,242.1
Amount of total capital above minimum	2,370.1	606.1	720.1	1,139.5	2.0	4,837.8	(328.3)	4,509.5
Total solvency ratio	194.6%	233.5%	221.2%	265.2%		214.0%		206.3%

31 December 2013	Belgium	UK	Continental Europe	Asia	Consolidation Adjustments	Insurance total	General (incl. elim)	Total Ageas
Total available capital	4,493.0	901.5	1,552.6	1,330.2	59.6	8,336.9	285.7	8,622.6
Minimum solvency requirements	2,450.7	400.8	572.0	602.7		4,026.2		4,026.2
Amount of total capital above minimum	2,042.3	500.7	980.6	727.5	59.6	4,310.7	285.7	4,596.4
Total solvency ratio	183.3%	224.9%	271.4%	220.7%		207.1%		214.2%

The solvency calculation as at period end 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

In April 2013, Ageas closed a transaction comprising the acquisition of a 33% stake in DTH Partners LLC. DTH Partners LLC is a company affiliated with Ronny Brückner, who was until his decease in August 2013, a member of the Ageas Board of Directors.

In 2013, a transaction took place between ageas SA/NV and one of its independent Board Members, Mr Guy de Selliers de Moranville. The transaction relates to the renting by ageas SA/NV of a property belonging to Mr Guy de Selliers de Moranville. This property is regarded an appropriate venue to host VIP-guests of the Board and Executive Management and is rented against an annual rent of EUR 50,000.

Under IFRS rules, transactions and commitments like this are regarded as a related party transaction and need as such to be disclosed.

Management considers the transactions with DTH Partners and Mr Guy de Selliers de Moranville to be concluded at arm's length, although these are unique circumstances.

No transactions with related parties took place in the first nine months of 2014.

Notes to the Consolidated statement of financial position

6 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 30 September is as follows.

	30 September 2014	31 December 2013
Cash on hand	2.3	2.6
Due from banks	1,972.0	1,883.1
Other	300.9	270.9
Total cash and cash equivalents	**2,275.2**	**2,156.6**

7 Financial investments

The composition of Financial investments is as follows.

	30 September 2014	31 December 2013
Financial investments		
- Held to maturity	4,926.0	4,986.2
- Available for sale	61,643.4	56,564.6
- Held at fair value through profit or loss	204.6	296.6
- Derivatives held for trading	12.1	14.4
Total gross	**66,786.1**	**61,861.8**
Impairments:		
- of investments held to maturity		(11.8)
- of investments available for sale	(162.1)	(182.3)
Total impairments	**(162.1)**	**(194.1)**
Total	**66,624.0**	**61,667.7**

7.1 Investments held to maturity

	Government bonds	Corporate debt securities	Total
Investments held to maturity at 1 January 2013	**4,884.4**	**169.7**	**5,054.1**
Maturities	(65.9)	(29.5)	(95.4)
Amortisation	18.4	9.1	27.5
Impairments		(11.8)	(11.8)
Investments held to maturity at 31 December 2013	**4,836.9**	**137.5**	**4,974.4**
Maturities	(13.0)	(35.7)	(48.7)
Sales		(26.6)	(26.6)
Amortisation	12.9	2.2	15.1
Reversal of impairments		11.8	11.8
Investments held to maturity at 30 September 2014	**4,836.8**	**89.2**	**4,926.0**
Gross value excluding impairments at 31 December 2013	**4,836.9**	**149.3**	**4,986.2**
Gross value excluding impairments at 30 September 2014	**4,836.8**	**89.2**	**4,926.0**
Fair value at 31 December 2013	**5,720.9**	**144.5**	**5,865.4**
Fair value at 30 September 2014	**6,690.8**	**96.8**	**6,787.6**

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 30 September.

30 September 2014	Historical amortised cost	Fair value
Belgian national government	4,357.0	6,068.8
Portuguese national government	479.8	622.0
Total	**4,836.8**	**6,690.8**

31 December 2013	Historical amortised cost	Fair value
Belgian national government	4,361.9	5,159.4
Portuguese national government	475.0	561.5
Total	**4,836.9**	**5,720.9**

7.2 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.

30 September 2014	Historical/ amortised cost	Gross unrealised gains	Gross unrealised losses	Total gross	Adjustments from hedge accounting	Impairments	Fair value
Treasury bills	189.0		(0.1)	188.9			188.9
Government bonds	26,601.0	5,174.6	(0.9)	31,774.7	8.8		31,783.5
Corporate debt securities	23,657.9	2,157.5	(39.3)	25,776.1		(21.5)	25,754.6
Structured credit instruments	277.7	16.5	(1.7)	292.5		(0.1)	292.4
Available for sale investments in debt securities	50,725.6	7,348.6	(42.0)	58,032.2	8.8	(21.6)	58,019.4
Private equities and venture capital	60.0	2.5	(0.4)	62.1			62.1
Equity securities	3,033.0	523.8	(20.5)	3,536.3		(140.5)	3,395.8
Other investments	4.0			4.0			4.0
Available for sale investments in equity securities and other investments	3,097.0	526.3	(20.9)	3,602.4		(140.5)	3,461.9
Total investments available for sale	**53,822.6**	**7,874.9**	**(62.9)**	**61,634.6**	**8.8**	**(162.1)**	**61,481.3**

31 December 2013	Historical/ amortised cost	Gross unrealised gains	Gross unrealised losses	Total gross	Adjustments from hedge accounting	Impairments	Fair value
Government bonds	27,143.5	2,345.9	(39.7)	29,449.7			29,449.7
Corporate debt securities	22,285.7	1,304.2	(126.6)	23,463.3		(0.1)	23,463.2
Structured credit instruments	289.5	13.5	(3.0)	300.0		(2.3)	297.7
Available for sale investments in debt securities	49,718.7	3,663.6	(169.3)	53,213.0		(2.4)	53,210.6
Private equities and venture capital	50.6	0.3		50.9			50.9
Equity securities	2,822.4	497.8	(24.8)	3,295.4		(179.9)	3,115.5
Other investments	5.3			5.3			5.3
Available for sale investments in equity securities and other investments	2,878.3	498.1	(24.8)	3,351.6		(179.9)	3,171.7
Total investments available for sale	**52,597.0**	**4,161.7**	**(194.1)**	**56,564.6**		**(182.3)**	**56,382.3**

An amount of EUR 1,115.9 million of the Investments available for sale has been pledged as collateral (31 December 2013: EUR 1,180.7 million).

The valuation of Investments available for sale is based on:

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

The valuation is as follows.

30 September 2014	Level 1	Level 2	Level 3	Total
Treasury bills	188.9			188.9
Government bonds	31,783.5			31,783.5
Corporate debt securities	24,890.6	864.0		25,754.6
Structured credit instruments	170.8	47.0	74.6	292.4
Equity securities, private equities and other investments	2,464.8	849.2	147.9	3,461.9
Total Investments AFS	**59,498.6**	**1,760.2**	**222.5**	**61,481.3**

31 December 2013	Level 1	Level 2	Level 3	Total
Government bonds	29,449.7			29,449.7
Corporate debt securities	22,748.9	713.1	1.2	23,463.2
Structured credit instruments	156.2	44.5	97.0	297.7
Equity securities, private equities and other investments	2,264.9	767.8	139.0	3,171.7
Total Investments AFS	**54,619.7**	**1,525.4**	**237.2**	**56,382.3**

The changes in level 3 valuation are as follows.

	30 September 2014	31 December 2013
Balance as at 1 January	**237.2**	**108.5**
Maturity/redemption or repayment	(1.2)	
Acquired	11.1	87.0
Proceeds from sales	(27.5)	(22.2)
Realised gains (losses)	(1.4)	
Reversal of impairments	2.2	
Impairments		(0.5)
Unrealised gains (losses)	2.1	2.6
Transfers between valuation categories		61.8
Closing balance	**222.5**	**237.2**

Government bonds detailed by country of origin

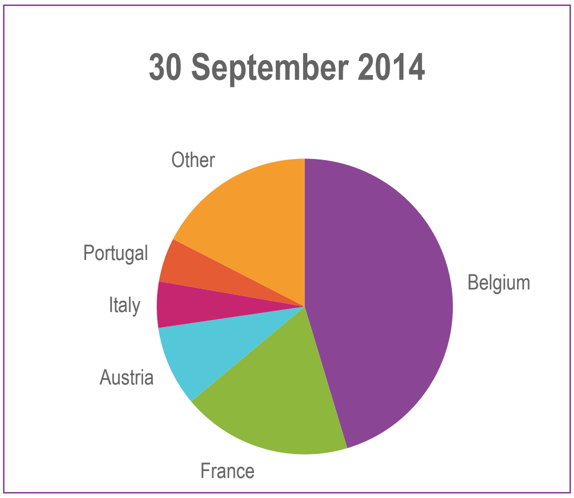
Government bonds detailed by country of origin as at 30 September are as follows.

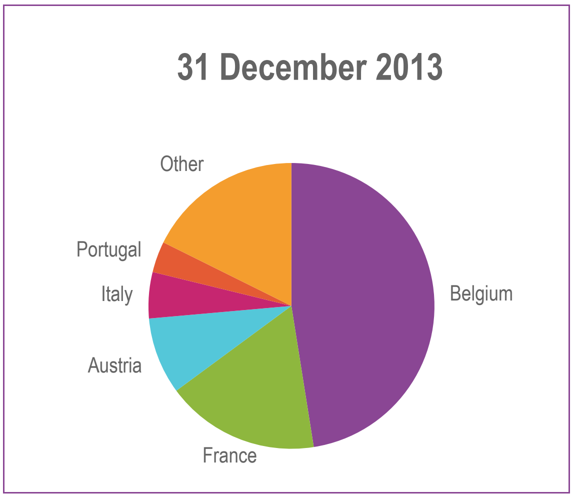
30 September 2014	Historical amortised cost	Gross unrealised gains (losses)	Adjustments from hedge accounting	Fair value
Belgian national government	11,981.2	2,427.4	8.8	14,417.4
French national government	4,901.0	996.5		5,897.5
Austrian national government	2,320.4	469.1		2,789.5
Italian national government	1,326.0	276.5		1,602.5
Portuguese national government	1,365.9	164.6		1,530.5
German national government	958.1	286.3		1,244.4
Irish national government	552.3	93.0		645.3
British national government	517.4	13.8		531.2
Spanish national government	407.7	68.7		476.4
Dutch national government	396.3	79.9		476.2
US national government	296.1	62.4		358.5
Slovakian national government	300.1	50.3		350.4
Polish national government	247.6	62.5		310.1
Finnish national government	203.2	31.6		234.8
Czech Republic national government	198.2	35.2		233.4
Other national governments	629.5	55.9		685.4
Total	**26,601.0**	**5,173.7**	**8.8**	**31,783.5**

31 December 2013	Historical amortised cost	Gross unrealised gains (losses)	Adjustments from hedge accounting	Fair value
Belgian national government	12,813.9	1,175.9		13,989.8
French national government	4,751.1	369.7		5,120.8
Austrian national government	2,328.2	232.6		2,560.8
Italian national government	1,473.8	67.4		1,541.2
Portuguese national government	1,041.4	(6.6)		1,034.8
German national government	965.6	174.9		1,140.5
Irish national government	552.3	51.7		604.0
British national government	472.6	9.8		482.4
Spanish national government	357.3	11.9		369.2
Dutch national government	682.4	40.8		723.2
US national government	276.5	28.0		304.5
Slovakian national government	333.4	34.0		367.4
Polish national government	216.9	39.6		256.5
Finnish national government	201.1	18.7		219.8
Czech Republic national government	243.4	29.7		273.1
Other national governments	433.6	28.1		461.7
Total	**27,143.5**	**2,306.2**		**29,449.7**

There were no impairments on government bonds in the first nine months of 2014 and the full year 2013.

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.

	30 September 2014	31 December 2013
Available for sale investments in debt securities:		
Carrying amount	58,019.4	53,210.6
Gross unrealised gains and losses	7,306.6	3,494.3
- Related tax	(2,341.5)	(1,159.0)
Shadow accounting	(2,658.9)	(808.6)
- Related tax	812.2	247.6
Net unrealised gains and losses	**3,118.4**	**1,774.3**

	30 September 2014	31 December 2013
Available for sale investments in equity securities and other investments:		
Carrying amount	3,461.9	3,171.7
Gross unrealised gains and losses	505.4	473.3
- Related tax	(55.4)	(65.5)
Shadow accounting	(159.6)	(100.5)
- Related tax	52.0	32.6
Net unrealised gains and losses	**342.4**	**339.9**

Impairments of Investments available for sale

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

	30 September 2014	31 December 2013
Impairments of investments available for sale:		
- on debt securities	(21.6)	(2.4)
- on equity securities and other investments	(140.5)	(179.9)
Total impairments of investments available for sale	**(162.1)**	**(182.3)**

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

	30 September 2014	31 December 2013
Balance as at 1 January	**182.3**	**190.5**
Increase in impairments	32.7	22.7
Reversal on sale/disposal	(52.7)	(26.9)
Foreign exchange differences and other adjustments	(0.2)	(4.0)
Closing balance	**162.1**	**182.3**

7.3 Investments held at fair value through profit or loss

The following table provides information as at 30 September about the Investments held at fair value, for which unrealised gains or losses are recorded through profit or loss.

	30 September 2014	31 December 2013
Corporate debt securities	97.0	214.4
Structured credit instruments	50.1	50.3
Debt securities	147.1	264.7
Equity securities	57.5	31.9
Equity securities and other investments	57.5	31.9
Total investments held at fair value through profit or loss	**204.6**	**296.6**

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 30 September 2014 is EUR 147.5 million (31 December 2013: EUR 254.9 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 inputs from active markets;
- Level 3: unobservable inputs (counterparty quotes).

The valuation can be shown as follows.

30 September 2014	Level 1	Level 2	Level 3	Total
Corporate debt securities	5.0	92.0		97.0
Structured credit instruments			50.1	50.1
Equity securities		57.5		57.5
Total Investments held at fair value through profit or loss	**5.0**	**149.5**	**50.1**	**204.6**

31 December 2013	Level 1	Level 2	Level 3	Total
Corporate debt securities	31.7	182.7		214.4
Structured credit instruments			50.3	50.3
Equity securities		31.9		31.9
Total Investments held at fair value through profit or loss	**31.7**	**214.6**	**50.3**	**296.6**

The changes in level 3 valuation are as follows.

	30 September 2014	31 December 2013
Balance as at 1 January	**50.3**	**49.0**
Unrealised gains (losses)	(0.2)	1.3
Closing balance	**50.1**	**50.3**

7.4 Derivatives held for trading (assets)

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

	30 September 2014	31 December 2013
Over the counter (OTC)	12.0	14.4
Exchange traded	0.1	
Total derivatives held for trading (assets)	**12.1**	**14.4**

The Derivatives held for trading mainly relate to interest rate and equity options and interest rate swaps. Derivatives held for trading are in 2014 and 2013 based on a level 2 valuation (observable inputs from active markets). See also note 27 Derivatives for further details.

7.5 Real estate

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

Fair value:	30 September 2014	31 December 2013
Investment property	3,423.0	3,330.5
Land and buildings held for own use	1,310.5	1,306.9
Total fair value	**4,733.5**	**4,637.4**
Carrying amount:		
Investment property	2,489.4	2,354.5
Land and buildings held for own use	953.1	967.4
Total carrying amount	**3,442.5**	**3,321.9**
Gross unrealised gain / loss	1,291.0	1,315.5
Taxation	(428.6)	(430.2)
Net unrealised gain / loss (not recognised in equity)	**862.4**	**885.3**

8 Loans

The composition of Loans is as follows.

	30 September 2014	31 December 2013
Government and official institutions	2,440.5	1,875.2
Residential mortgages	1,500.6	1,547.4
Commercial loans	677.0	547.2
Interest bearing deposits	579.3	957.9
Loans to banks	490.9	624.1
Policyholder loans	236.0	210.9
Corporate loans	40.1	41.4
Total	**5,964.4**	**5,804.1**
Less impairments	(24.4)	(19.7)
Total Loans	**5,940.0**	**5,784.4**

8.1 Commercial loans

The composition of Commercial loans is as follows.

	30 September 2014	31 December 2013
Consumer Loans	14.2	9.3
Real Estate	203.1	199.8
Infrastructure	131.6	101.6
Other	328.1	236.5
Total Commercial Loans	**677.0**	**547.2**

The line Real Estate under Commercial loans includes the Mezzanine loan of USD 117.5 million to DTH partners LLC (see also notes 2 and 5) whereas the bridge loan (USD 23 million) between EBNB 70 Pine Development and AG Real Estate (North Star NV) is included in the line Other under Commercial loans.

Ageas has granted credit lines for a total amount of EUR 350 million (31 December 2013: EUR 321 million) (see also Note 28 Commitments).

8.2 Loans to banks

Loans to banks consists of the following.

	30 September 2014	31 December 2013
Loans and advances	486.6	457.0
Other	4.3	167.1
Loans to Banks	**490.9**	**624.1**

9 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 (see Notes 2 and 5), RPI and Tesco Insurance.

RPI

The Net profit of RPI for the first nine months of 2014 amounted to EUR 1.5 million compared to EUR 275.7 million for the first nine months of 2013. The gain in 2013 was due to the sale of the investment portfolio of RPI.

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

Tesco Insurance

In accordance with IFRS 10, Ageas no longer consolidates Tesco Insurance, as of 1 January 2014, but reports its interest as an equity associate, including a restatement of the 2013-figures.

The result of Tesco Insurance for the first nine months of 2014 amounted to EUR 1.8 million negative (30 September 2013: EUR 5.0 million).

The impact of the change in consolidation method for Tesco Insurance on the Statement of financial Position for year-end 2013 can be explained as follows:

Assets

The total assets decreased with EUR 953 million from EUR 95,735 million to EUR 94,783 million. This decrease can mainly be explained by the following changes:

- Financial investments decreased with EUR 889 million to EUR 61,668 million;
- Investments in associates increased with EUR 92 million due to the inclusion of Tesco Insurance;
- Reinsurance and other receivables decreased with EUR 67 million.

Liabilities

The total liabilities decreased with EUR 861 million from EUR 86,314 million to EUR 85,453 million. The decrease can mainly be explained by the following changes:

- Liabilities arising from Non-life insurance contracts decreased with EUR 798 million to EUR 6,797 million;
- The subordinated liabilities decreased with EUR 41 million to EUR 1,971 million;
- Accrued interest and other liabilities decreased with EUR 22 million to EUR 2,162 million.

Equity

Although shareholders' equity was not impacted, Total equity decreased with EUR 92 million to EUR 9,330 million. This decrease is explained by the fact that the non-controlling interest in Tesco Insurance is no longer consolidated.

Income statement

The impact on the Income statement of the change in consolidating method for Tesco Insurance for the first nine months of 2013 was nil on the Net result attributable to shareholders as the result remained the same for Tesco Insurance. The main impact on the lines of the Income statement is:

- Net earned premiums decreased with EUR 436 million to EUR 6,228 million;
- Insurance claims and benefits net decreased with EUR 331 million;
- Share of result of associates increased with EUR 5.0 million to EUR 394 million.

10 Call option BNP Paribas shares

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

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

On 27 April 2013, Ageas agreed to sell back to the SFPI/FPIM the option granted for EUR 144 million (representing EUR 0.64 per Ageas share). The sale was settled before the end of the first half year of 2013.

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 30 September.

	30 September 2014	31 December 2013
Liability for future policyholder benefits	26,191.2	25,527.1
Reserve for policyholder profit sharing	331.8	297.7
Shadow accounting	1,452.5	441.8
Before eliminations	**27,975.5**	**26,266.6**
Eliminations	(4.2)	(3.9)
Gross	**27,971.3**	**26,262.7**
Reinsurance	(35.6)	(208.2)
Net	**27,935.7**	**26,054.5**

11.2 Liabilities arising from Life investment contracts

The following table provides an overview of the liabilities arising from Life investment contracts as at 30 September.

	30 September 2014	31 December 2013
Liability for future policyholder benefits	28,549.3	28,205.3
Reserve for policyholder profit sharing	159.4	183.7
Shadow accounting	1,366.0	403.8
Gross	**30,074.7**	**28,792.8**
Reinsurance		
Net	**30,074.7**	**28,792.8**

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.

	30 September 2014	31 December 2013
Insurance contracts	1,877.1	1,795.4
Investment contracts	12,772.2	12,374.6
Total	**14,649.3**	**14,170.0**

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 30 September.

	30 September 2014	31 December 2013
Claims reserves	5,565.1	5,284.6
Unearned premiums	1,602.7	1,441.4
Reserve for policyholder profit sharing	14.4	7.4
Shadow accounting		63.8
Gross	**7,182.2**	**6,797.2**
Reinsurance	(580.3)	(505.1)
Net	**6,601.9**	**6,292.1**

12 Debt certificates

The following table shows the types of debt certificates (EMTN) issued by Ageas and the amounts outstanding as at 30 September.

	30 September 2014	31 December 2013
Held at amortised cost		34.9
Held at fair value through profit or loss	2.2	33.5
Total debt certificates	**2.2**	**68.4**

Due to the changes in the composition of the former Fortis group in October 2008 there is no curable breach of a debt covenant and as a result, all debt securities are in default and directly callable by the security holder at nominal value (there are no other breaches of debt covenants). Therefore the debt securities held at fair value through profit or loss are valued at minimal of the nominal value. The nominal value of debt securities held at fair value through profit or loss was EUR 1.8 million as at 30 September 2014 (31 December 2013: EUR 32.8 million). The valuation of debt securities held at fair value through profit or loss is based on level 2. Ageas has not pledged any assets against outstanding debt certificates.

13 Subordinated liabilities

The following table provides a specification of the subordinated liabilities as at 30 September.

	30 September 2014	31 December 2013
FRESH	1,250.0	1,250.0
Hybrone	226.6	225.7
Fixed Rate Reset Perpetual Subordinated Notes	431.9	392.9
Fixed to Floating Rate Callable Subordinated Notes	99.4	99.3
Other subordinated liabilities	3.0	3.1
Total subordinated liabilities	**2,010.9**	**1,971.0**

13.1 FRESH

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

The FRESH was issued by Ageasfinlux S.A., with ageas SA/NV 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 S.A. pledged in favour of such holders. Pending the exchange of the FRESH against Ageas shares, these Ageas shares do not have any dividend rights or voting rights (the reported number of outstanding Ageas shares as at 30 September 2014 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's 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.

13.2 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.

AHF issued EUR 500 million of securities called 'Hybrone' in 2006, at an interest rate of 5.125% until 20 June 2016 and 3 month Euribor + 200 basis points thereafter. The proceeds of these securities were on-lent to AG Insurance. In March 2013, AHF launched a tender on the outstanding securities at a price of 91%; the final acceptance amount of this tender amounted to EUR 163.6 million. The on-lent-loan to AG Insurance was reduced for the same amount. Some Ageas affiliates invested in Hybrone securities; together with the tender this leads to a reported outstanding held by external holders of EUR 226.6 million as at 30 September 2014. The remaining Hybrone securities have a first call date on 20 June 2016.

13.3 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, ranking at the same level with the other subordinated liabilities within 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.

13.4 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 will have an interest rate of 5.25% per annum, payable annually, up to their June 2024 first call date and will from such first call date bear interest at a floating rate of 4.136% per annum above 3-month Euribor, 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 will qualify as available solvency margin under the prevailing European regulatory capital regime for insurers (Solvency I).

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.

14 Borrowings

The table below shows the components of Borrowings as at 30 September.

	30 September 2014	31 December 2013
Repurchase agreements	1,102.6	1,184.7
Loans	964.5	762.1
Due to banks	**2,067.1**	**1,946.8**
Funds held under reinsurance agreements	90.7	81.0
Finance lease agreements	21.5	22.8
Other borrowings	341.8	313.1
Total borrowings	**2,521.1**	**2,363.7**

Ageas has pledged debt securities with a carrying amount of EUR 1,115.9 million (31 December 2013: EUR 1,256.5 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 2013: 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).

15 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	
	30 September 2014	31 December 2013	First nine months 2014	First nine months 2013
Deferred tax assets related to:				
Financial investments (available for sale)				0.3
Investment property	22.1	20.5	1.0	3.6
Property, plant and equipment	36.5	36.3		(24.8)
Intangible assets (excluding goodwill)	5.5	5.9	(0.4)	(0.4)
Insurance policy and claim reserves	997.1	428.8	11.2	(89.0)
Provisions for pensions and post-retirement benefits	167.3	139.9	1.1	(0.6)
Other provisions	12.8	12.6	(0.1)	0.4
Accrued expenses and deferred income	0.2	0.2		(1.2)
Unused tax losses	114.0	141.8	4.2	(5.1)
Other	48.4	48.4	2.8	(9.5)
Gross deferred tax assets	**1,403.9**	**834.4**	**19.8**	**(126.3)**
Unrecognised deferred tax assets	(56.1)	(99.4)	5.9	0.7
Net deferred tax assets	**1,347.8**	**735.0**	**25.7**	**(125.6)**
Deferred tax liabilities related to:				
Derivatives held for trading (assets)	0.1	0.1	(0.1)	0.4
Financial investments (available for sale)	2,279.7	1,172.6	(2.4)	(0.3)
Unit-linked investments	0.3	1.9	1.6	0.8
Investment property	111.6	82.1	(4.6)	35.1
Loans to customers	1.6	1.5	(0.1)	0.1
Property, plant and equipment	180.5	184.2	3.6	9.5
Intangible assets (excluding goodwill)	122.9	128.0	5.0	4.9
Other provisions	8.4	7.8		
Deferred policy acquisition costs	32.3	47.0	6.8	9.4
Deferred expense and accrued income	1.4	1.4	0.1	
Tax exempt realised reserves	63.5	64.3	0.8	(22.0)
Call option BNP Paribas shares				79.5
Other	47.6	88.0	33.7	18.3
Total deferred tax liabilities	**2,849.9**	**1,778.9**	**44.4**	**135.7**
Deferred tax income (expense)			**70.1**	**10.1**
Net deferred tax	**(1,502.1)**	**(1,043.9)**		

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.

	30 September 2014	31 December 2013
Deferred tax asset	69.1	80.1
Deferred tax liability	1,571.2	1,124.0
Net deferred tax	**(1,502.1)**	**(1,043.9)**

16 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 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 amount to 3-month Euribor plus 20 basis points.

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 increase of the reference amount from EUR 370 million at year end 2013 to EUR 494 million on 30 September 2014 is predominantly explained by a price increase of the CASHES from 67.88% to 77.06% during the first nine months of 2014.

17 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 26 on Contingent liabilities and other legal proceedings, 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 the appeal by StichtingFortisEffect 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.

Changes in provisions during the year are as follows.

	30 September 2014	31 December 2013
Balance as at 1 January	**45.0**	**69.1**
Acquisition and divestment of subsidiaries	0.4	
Increase (Decrease) in provisions	132.3	(2.3)
Utilised during the year	(8.0)	(21.5)
Foreign exchange differences	0.2	(0.3)
Closing balance	**169.9**	**45.0**

18 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;
- 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 1,443 million as at 30 September 2014 (31 December 2013: EUR 1,255 million). The following sensitivities have been calculated.

Discount rate	+1% point	(1%) point
Value liability	1,401	1,487
Relative impact	(2.9%)	3.0%

Price to Embedded Value	+10%	(10%)
Value liability	1,563	1,324
Relative impact	8.3%	(8.2%)

Growth rate	+1% point	(1%) point
Value liability	1,488	1,400
Relative impact	3.1%	(3.0%)

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

Value Put Option	30 September 2014	31 December 2013	Change
Value Liability Put Option	1,443.0	1,255.0	188.0
Corresponding Non Controlling Interest	(1,534.8)	(1,225.5)	(309.3)
Impact on Shareholders' Equity	91.8	(29.5)	121.3

Notes to the Consolidated income statement

19 Insurance premiums

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

	First nine months 2014	First nine months 2013
Gross inflow Life	4,572.7	4,774.8
Gross inflow Non-life	3,144.9	3,029.1
General and eliminations	(0.3)	(0.8)
Total gross inflow	**7,717.3**	**7,803.1**

	First nine months 2014	First nine months 2013
Net premiums Life	3,600.0	3,439.3
Net earned premiums Non-life	2,857.1	2,789.4
General and eliminations	(0.3)	(0.8)
Total net earned premiums	**6,456.8**	**6,227.9**

Life

The table below shows the details Gross inflow Life.

	First nine months 2014	First nine months 2013
Unit-linked insurance contracts		
Single written premiums	63.7	56.3
Periodic written premiums	72.2	85.2
Total unit-linked insurance contracts	**135.9**	**141.5**
Non unit-linked insurance contracts		
Single written premiums	230.5	265.2
Periodic written premiums	572.0	567.3
Group business total	*802.5*	*832.5*
Single written premiums	284.8	309.3
Periodic written premiums	599.0	574.7
Individual business total	*883.8*	*884.0*
Total non unit-linked insurance contracts	**1,686.3**	**1,716.5**
Investment contracts with DPF		
Single written premiums	1,578.5	1,376.5
Periodic written premiums	280.0	275.4
Total investment contracts with DPF	**1,858.5**	**1,651.9**
Gross premium Life	**3,680.7**	**3,509.9**
Single written premiums	796.5	1,162.9
Periodic written premiums	95.5	102.0
Premium inflow deposit accounting	**892.0**	**1,264.9**
Gross inflow Life	**4,572.7**	**4,774.8**

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 nine months 2014	First nine months 2013
Gross premium Life	3,680.7	3,509.9
Ceded reinsurance premiums	(80.7)	(70.6)
Net premiums Life	**3,600.0**	**3,439.3**

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 nine months 2014	Accident &Health	Property &casualty	Total
Gross written premiums	643.7	2,501.2	3,144.9
Change in unearned premiums, gross	(16.5)	(82.2)	(98.7)
Gross earned premiums	**627.2**	**2,419.0**	**3,046.2**
Ceded reinsurance premiums	(25.1)	(170.9)	(196.0)
Reinsurers' share of unearned premiums	3.2	3.7	6.9
Net earned premiums Non-life	**605.3**	**2,251.8**	**2,857.1**

First nine months 2013	Accident &Health	Property &casualty	Total
Gross written premiums	639.9	2,389.2	3,029.1
Change in unearned premiums, gross	(20.3)	(39.0)	(59.3)
Gross earned premiums	**619.6**	**2,350.2**	**2,969.8**
Ceded reinsurance premiums	(23.9)	(157.6)	(181.5)
Reinsurers' share of unearned premiums	2.8	(1.7)	1.1
Net earned premiums Non-life	**598.5**	**2,190.9**	**2,789.4**

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

First nine months 2014	Accident &Health	Property &casualty	Total
Belgium	371.9	974.7	1,346.6
UK	55.4	1,144.9	1,200.3
Continental Europe	178.0	132.2	310.2
Net earned premiums Non-life	**605.3**	**2,251.8**	**2,857.1**

First nine months 2013	Accident &Health	Property &casualty	Total
Belgium	370.4	952.8	1,323.2
UK	59.4	1,108.1	1,167.5
Continental Europe	168.7	130.0	298.7
Net earned premiums Non-life	**598.5**	**2,190.9**	**2,789.4**

20 Interest, dividend and other investment income

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

	First nine months 2014	First nine months 2013
Interest income		
Interest income on cash & cash equivalents	4.5	4.2
Interest income on loans to banks	13.4	59.4
Interest income on investments	1,554.9	1,558.3
Interest income on loans to customers	130.3	121.7
Interest income on derivatives held for trading	1.4	5.2
Other interest income	17.4	20.1
Total interest income	**1,721.9**	**1,768.9**
Dividend income from equity securities	76.6	68.0
Rental income from investment property	165.8	169.3
Revenues parking garage	234.4	212.6
Other investment income	33.9	33.6
Total interest, dividend and other investment income	**2,232.6**	**2,252.4**

21 Result on sales and revaluations

Result on sales and revaluations is broken down as follows.

	First nine months 2014	First nine months 2013
Debt securities classified as available for sale	108.4	36.9
Equity securities classified as available for sale	88.1	54.6
Derivatives held for trading	0.4	(6.3)
Investment property	7.3	32.9
Capital gain (losses) on sale of shares of subsidiaries and associates	76.1	
Investments in associates	1.2	(0.1)
Property, plant and equipment	9.9	0.1
Assets and liabilities held at fair value through profit or loss	0.1	3.8
Hedging results	(1.3)	0.4
Other	1.1	13.6
Total result on sales and revaluations	**291.3**	**135.9**

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.

The capital gain on sale of shares of subsidiaries and associates of EUR 76 million in the first nine months of 2014 is explained in more detail in Note 2.

22 Insurance claims and benefits

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

	First nine months 2014	First nine months 2013
Life insurance	4,384.8	4,177.7
Non-life insurance	1,866.8	1,775.9
General account and eliminations	(0.3)	(0.9)
Total insurance claims and benefits, net	**6,251.3**	**5,952.7**

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

	First nine months 2014	First nine months 2013
Benefits and surrenders, gross	3,946.9	3,714.4
Change in liabilities arising from insurance and investment contracts, gross	488.3	504.6
Total Life insurance claims and benefits, gross	**4,435.2**	**4,219.0**
Reinsurers' share of claims and benefits	(50.4)	(41.3)
Total Life insurance claims and benefits, net	**4,384.8**	**4,177.7**

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

	First nine months 2014	First nine months 2013
Claims paid, gross	1,843.3	1,719.3
Change in liabilities arising from insurance contracts, gross	161.0	130.4
Total Non-life insurance claims and benefits, gross	**2,004.3**	**1,849.7**
Reinsurers' share of claims paid	(86.0)	(58.3)
Reinsurers' share of change in liabilities	(51.5)	(15.5)
Total Non-life insurance claims and benefits, net	**1,866.8**	**1,775.9**

23 Financing costs

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

	First nine months 2014	First nine months 2013
Financing costs		
Debt certificates	0.7	5.8
Subordinated liabilities	53.2	100.3
Borrowings	18.2	20.2
Other borrowings	13.9	9.5
Derivatives	8.3	3.1
Other liabilities	30.0	30.0
Total financing costs	**124.3**	**168.9**

24 Change in impairments

The Change in impairments is as follows.

	First nine months 2014	First nine months 2013
Change in impairments of:		
Investments in debt securities	35.8	
Investments in equity securities and other	11.0	16.3
Investment property	0.6	12.6
Loans	4.1	1.9
Reinsurance and other receivables	0.8	0.7
Property, plant and equipment		1.9
Goodwill and other intangible assets		6.8
Accrued interest and other assets		5.9
Total change in impairments	**52.3**	**46.1**

Notes on segment reporting

25 Information on operating segments

25.1 General information

Ageas has an organisational structure based on a 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's 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's business model, insurance companies report support activities directly in the business.

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

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

25.2 Belgium

The Belgian insurance activities, operating since June 2009 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 EUR 6 billion. Some 69% of this income comes from Life insurance; the remainder from Non-life insurance. AG Insurance is also a 100% owner of AG Real Estate, which manages its real estate activities and has grown into the largest real estate group in Belgium.

AG Insurance targets private individuals as well as small, medium-sized and large companies. It offers its customers a comprehensive range of Life and Non-life insurance through various channels: more than 3,000 independent brokers and via the bank channels of BNP Paribas Fortis 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.

25.3 United Kingdom (UK)

Ageas's business in the UK is a leading national provider of Non-life insurance solutions and a related Life protection business launched in 2008. The UK business has a strong presence in the Personal lines market and is continuing to expand its Commercial lines proposition. The split is around 82% Personal lines, 16% Commercial lines and 2% Life. The UK business is the affinity partner of a number of very strong brands including Tesco Bank, John Lewis Partnership, Age UK and Toyota (GB) Limited. The UK business adopts a multi-channel distribution strategy across brokers, affinity partners and own distribution. Its 100% owned subsidiaries include 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.

Recent acquisitions over the last years and the integration of the acquired business of Kwik-Fit Insurance Services have further strengthened Ageas's respective market positions in the UK. In addition, Ageas acquired in November 2012 Groupama Insurance Company Limited (GICL). The acquisition strengthened further the Non-life market position.

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.

25.4 Continental Europe

Continental Europe currently consists of the insurance activities of Ageas in Europe, excluding Belgium and the United Kingdom. Active in five markets: 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 2014, about 76% of total inflows were Life related and 24% Non-life.

25.5 Asia

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

25.6 General Account

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

25.7 Statement of financial position by operating segment

30 September 2014	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total
Assets							
Cash and cash equivalents	869.9	147.2	353.8	170.5	733.8		2,275.2
Financial investments	53,507.0	2,498.0	8,293.1	1,927.7	409.8	(11.6)	66,624.0
Investment property	2,453.3	14.2	21.9				2,489.4
Loans	5,195.5	86.1	36.0	246.8	1,643.5	(1,267.9)	5,940.0
Investments related to unit-linked contracts	6,646.0		7,196.2	811.2		(72.4)	14,581.0
Investments in associates	321.4	102.6	258.7	1,246.9	44.9	7.2	1,981.7
Reinsurance and other receivables	827.3	888.0	249.5	75.5	4.1	(14.7)	2,029.7
Current tax assets	45.0	2.0	2.5				49.5
Deferred tax assets	16.1	37.7	15.3				69.1
Accrued interest and other assets	1,291.0	308.6	239.4	411.1	37.1	(25.9)	2,261.3
Property, plant and equipment	1,015.5	65.4	5.6	5.5	0.8		1,092.8
Goodwill and other intangible assets	361.0	270.8	433.4	393.8			1,459.0
Assets held for sale		609.9					609.9
Total assets	**72,549.0**	**5,030.5**	**17,105.4**	**5,289.0**	**2,874.0**	**(1,385.3)**	**101,462.6**
Liabilities							
Liabilities arising from Life insurance contracts	23,447.1		2,992.9	1,535.5		(4.2)	27,971.3
Liabilities arising from Life investment contracts	26,032.6		4,041.4	0.7			30,074.7
Liabilities related to unit-linked contracts	6,646.0		7,192.2	811.1			14,649.3
Liabilities arising from Non-life insurance contracts	3,714.1	2,740.6	727.5				7,182.2
Debt certificates					2.2		2.2
Subordinated liabilities	1,216.6	128.1	28.0		1,549.0	(910.8)	2,010.9
Borrowings	1,990.5	192.1	30.6	538.7	198.6	(429.4)	2,521.1
Current tax liabilities	63.8	11.4	31.8	11.8	0.1		118.9
Deferred tax liabilities	1,522.6	0.5	48.1				1,571.2
RPN(I)					493.8		493.8
Accrued interest and other liabilities	1,649.3	225.1	257.8	129.3	9.2	(29.9)	2,240.8
Provisions	18.5	0.4	9.3		141.7		169.9
Liability related to written put option on NCI					1,443.0		1,443.0
Liabilities related to assets held for sale		434.2					434.2
Total liabilities	**66,301.1**	**3,732.4**	**15,359.6**	**3,027.1**	**3,837.6**	**(1,374.3)**	**90,883.5**
Shareholders' equity	4,603.9	1,298.1	1,175.8	2,261.9	571.2	(11.0)	9,899.9
Non-controlling interests	1,644.0		570.0		(1,534.8)		679.2
Total equity	**6,247.9**	**1,298.1**	**1,745.8**	**2,261.9**	**(963.6)**	**(11.0)**	**10,579.1**
Total liabilities and equity	**72,549.0**	**5,030.5**	**17,105.4**	**5,289.0**	**2,874.0**	**(1,385.3)**	**101,462.6**
Number of employees	**6,162**	**4,653**	**906**	**430**	**121**		**12,272**

31 December 2013	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total
Assets							
Cash and cash equivalents	685.9	178.7	384.6	126.1	781.3		2,156.6
Financial investments	49,268.0	2,406.7	8,045.2	1,575.1	384.3	(11.6)	61,667.7
Investment property	2,332.3		21.8	0.4			2,354.5
Loans	4,712.0	47.5	77.6	228.3	1,946.8	(1,227.8)	5,784.4
Investments related to unit-linked contracts	6,399.9		7,115.0	655.4		(72.8)	14,097.5
Investments in associates	305.8	92.2	258.4	810.7	55.6	7.5	1,530.2
Reinsurance and other receivables	782.8	938.2	233.6	68.9	3.6	(7.1)	2,020.0
Current tax assets	52.6	18.9	2.4				73.9
Deferred tax assets	17.7	38.4	24.0				80.1
Accrued interest and other assets	1,522.3	422.1	245.7	311.5	34.6	(20.0)	2,516.2
Property, plant and equipment	1,001.2	78.2	4.8	3.7	1.0		1,088.9
Goodwill and other intangible assets	351.8	252.6	437.6	370.5	0.1		1,412.6
Total assets	**67,432.3**	**4,473.5**	**16,850.7**	**4,150.6**	**3,207.3**	**(1,331.8)**	**94,782.6**
Liabilities							
Liabilities arising from Life insurance contracts	22,070.8	153.3	2,730.6	1,311.9		(3.9)	26,262.7
Liabilities arising from Life investment contracts	24,696.4		4,095.7	0.7			28,792.8
Liabilities related to unit-linked contracts	6,399.9		7,114.7	655.4			14,170.0
Liabilities arising from Non-life insurance contracts	3,552.7	2,524.2	720.3				6,797.2
Debt certificates					68.4		68.4
Subordinated liabilities	1,177.0	119.5	28.0		1,548.5	(902.0)	1,971.0
Borrowings	1,907.3	191.5	21.2	460.8	181.5	(398.6)	2,363.7
Current tax liabilities	39.3	6.6	16.5	8.2	0.1		70.7
Deferred tax liabilities	1,045.3	25.6	53.1				1,124.0
RPN(I)					370.1		370.1
Accrued interest and other liabilities	1,501.9	325.7	153.6	121.7	84.8	(25.7)	2,162.0
Provisions	16.6	5.9	11.5		11.0		45.0
Liability related to written put option on NCI					1,255.0		1,255.0
Total liabilities	**62,407.2**	**3,352.3**	**14,945.2**	**2,558.7**	**3,519.4**	**(1,330.2)**	**85,452.6**
Shareholders' equity	3,676.1	1,121.2	1,224.1	1,591.9	913.4	(1.6)	8,525.1
Non-controlling interests	1,349.0		681.4		(1,225.5)		804.9
Total equity	**5,025.1**	**1,121.2**	**1,905.5**	**1,591.9**	**(312.1)**	**(1.6)**	**9,330.0**
Total liabilities and equity	**67,432.3**	**4,473.5**	**16,850.7**	**4,150.6**	**3,207.3**	**(1,331.8)**	**94,782.6**
Number of employees	**6,083**	**4,876**	**1,070**	**418**	**123**		**12,570**

As of 2013 a revised IAS 19 'Employee Benefits' has become effective. The most significant change in the revised standard is the immediate recognition in equity of 'unrecognised actuarial gains and losses' as of the effective date, instead of using the so called corridor approach.

25.8 Income statement by operating segment

First nine months 2014	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total
Income							
- *Gross premium income*	*4,046.1*	*1,432.4*	*1,126.7*	*220.4*		*(0.3)*	*6,825.3*
- *Change in unearned premiums*	*(58.5)*	*(42.5)*	*2.3*				*(98.7)*
- *Ceded earned premiums*	*(59.5)*	*(125.4)*	*(66.3)*	*(18.6)*			*(269.8)*
Net earned premiums	3,928.1	1,264.5	1,062.7	201.8		(0.3)	6,456.8
Interest, dividend and other investment income	1,902.6	50.6	200.0	78.9	45.0	(44.5)	2,232.6
Realised gain (loss) on Call option BNP Paribas shares							
Unrealised gain (loss) on RPN(I)					(123.7)		(123.7)
Result on sales and revaluations	249.1	5.3	35.5	11.3	(0.6)	(9.3)	291.3
Income related to investments for unit-linked contracts	421.8		583.2	15.3			1,020.3
Share of result of associates	(2.5)	(1.8)	2.0	123.2	(0.1)		120.8
Fee and commission income	67.1	90.0	80.4	50.1			287.6
Other income	86.7	76.7	2.0	1.3	4.6	(13.4)	157.9
Total income	**6,652.9**	**1,485.3**	**1,965.8**	**481.9**	**(74.8)**	**(67.5)**	**10,443.6**
Expenses							
- *Insurance claims and benefits, gross*	*(4,399.1)*	*(845.5)*	*(1,004.7)*	*(190.2)*		*0.3*	*(6,439.2)*
- *Insurance claims and benefits, ceded*	*99.7*	*55.4*	*24.1*	*8.7*			*187.9*
Insurance claims and benefits, net	(4,299.4)	(790.1)	(980.6)	(181.5)		0.3	(6,251.3)
Charges related to unit-linked contracts	(411.5)		(596.1)	(20.7)			(1,028.3)
Financing costs	(89.6)	(9.1)	(0.9)	(30.9)	(38.2)	44.4	(124.3)
Change in impairments	(15.2)		(35.2)	(1.9)			(52.3)
Change in provisions	(1.5)		(0.2)		(130.6)		(132.3)
Fee and commission expenses	(475.1)	(313.5)	(111.6)	(68.7)			(968.9)
Staff expenses	(364.1)	(160.3)	(48.3)	(26.5)	(14.9)	0.6	(613.5)
Other expenses	(491.8)	(123.9)	(93.5)	(13.7)	(29.2)	12.9	(739.2)
Total expenses	**(6,148.2)**	**(1,396.9)**	**(1,866.4)**	**(343.9)**	**(212.9)**	**58.2**	**(9,910.1)**
Result before taxation	**504.7**	**88.4**	**99.4**	**138.0**	**(287.7)**	**(9.3)**	**533.5**
Tax income (expenses)	(73.1)	(8.5)	(24.7)	(2.7)			(109.0)
Net result for the period	**431.6**	**79.9**	**74.7**	**135.3**	**(287.7)**	**(9.3)**	**424.5**
Attributable to non-controlling interests	110.5		32.1				142.6
Net result attributable to shareholders	**321.1**	**79.9**	**42.6**	**135.3**	**(287.7)**	**(9.3)**	**281.9**
Total income from external customers	6,643.4	1,455.8	1,965.8	476.0	(97.4)		10,443.6
Total income internal	9.5	29.5		5.9	22.6	(67.5)	
Total income	**6,652.9**	**1,485.3**	**1,965.8**	**481.9**	**(74.8)**	**(67.5)**	**10,443.6**
Non-cash expenses (excl. depreciation & amortisation)	(19.0)		(83.2)	(1.9)			(104.1)

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

First nine months 2014	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total
Gross premium income	4,046.1	1,432.4	1,126.7	220.4		(0.3)	6,825.3
Inflow deposit accounting	322.0		449.7	120.3			892.0
Gross inflow	**4,368.1**	**1,432.4**	**1,576.4**	**340.7**		**(0.3)**	**7,717.3**

First nine months 2013	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total
Income							
- *Gross premium income*	*3,986.2*	*1,348.0*	*990.4*	*214.4*		*(0.8)*	*6,538.2*
- *Change in unearned premiums*	*(55.2)*	*(8.5)*	*4.4*				*(59.3)*
- *Ceded earned premiums*	*(51.1)*	*(118.1)*	*(61.8)*	*(20.0)*			*(251.0)*
Net earned premiums	3,879.9	1,221.4	933.0	194.4		(0.8)	6,227.9
Interest, dividend and other investment income	1,862.9	55.7	208.1	73.1	96.5	(43.9)	2,252.4
Realised gain (loss) on Call option BNP Paribas shares					(90.0)		(90.0)
Unrealised gain (loss) on RPN(I)					(114.0)		(114.0)
Result on sales and revaluations	112.7	2.9	23.8	2.0	(5.5)		135.9
Income related to investments for unit-linked contracts	232.8		407.1	(2.3)		(0.2)	637.4
Share of result of associates	(1.1)	5.0	27.4	92.7	271.0	(0.7)	394.3
Fee and commission income	72.6	79.9	96.6	45.8			294.9
Other income	93.3	63.6	1.3	1.8	2.9	(12.6)	150.3
Total income	**6,253.1**	**1,428.5**	**1,697.3**	**407.5**	**160.9**	**(58.2)**	**9,889.1**
Expenses							
- *Insurance claims and benefits, gross*	*(4,143.7)*	*(825.2)*	*(923.5)*	*(176.3)*		*0.9*	*(6,067.8)*
- *Insurance claims and benefits, ceded*	*16.1*	*72.9*	*20.0*	*6.1*			*115.1*
Insurance claims and benefits, net	(4,127.6)	(752.3)	(903.5)	(170.2)		0.9	(5,952.7)
Charges related to unit-linked contracts	(244.7)		(404.9)	(4.1)			(653.7)
Financing costs	(74.1)	(10.3)	(1.6)	(27.3)	(99.5)	43.9	(168.9)
Change in impairments	(45.0)		(1.1)	(0.6)	(0.1)	0.7	(46.1)
Change in provisions	(0.2)	0.2	0.1				0.1
Fee and commission expenses	(468.9)	(265.2)	(101.3)	(79.1)	(0.1)		(914.6)
Staff expenses	(353.4)	(159.6)	(53.9)	(23.8)	(13.6)	0.7	(603.6)
Other expenses	(470.7)	(139.8)	(88.7)	1.4	(32.0)	11.9	(717.9)
Total expenses	**(5,784.6)**	**(1,327.0)**	**(1,554.9)**	**(303.7)**	**(145.3)**	**58.1**	**(9,057.4)**
Result before taxation	**468.5**	**101.5**	**142.4**	**103.8**	**15.6**	**(0.1)**	**831.7**
Tax income (expenses)	(135.5)	(15.0)	(38.9)	(2.5)	(0.2)		(192.1)
Net result for the period	**333.0**	**86.5**	**103.5**	**101.3**	**15.4**	**(0.1)**	**639.6**
Attributable to non-controlling interests	86.0		40.9				126.9
Net result attributable to shareholders	**247.0**	**86.5**	**62.6**	**101.3**	**15.4**	**(0.1)**	**512.7**
Total income from external customers	6,242.0	1,421.1	1,697.1	403.2	125.7		9,889.1
Total income internal	11.1	7.4	0.2	4.3	35.2	(58.2)	
Total income	**6,253.1**	**1,428.5**	**1,697.3**	**407.5**	**160.9**	**(58.2)**	**9,889.1**
Non-cash expenses (excl. depreciation & amortisation)	(86.2)		(115.8)	(3.6)			(205.6)

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

First nine months 2013	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total
Gross premium income	3,986.2	1,348.0	990.4	214.4		(0.8)	6,538.2
Inflow deposit accounting	435.6		702.6	126.7			1,264.9
Gross inflow	**4,421.8**	**1,348.0**	**1,693.0**	**341.1**		**(0.8)**	**7,803.1**

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

30 September 2014	Life	Non-life	Other Insurance	General Account	Eliminations	Total
Assets						
Cash and cash equivalents	1,153.8	339.8	47.8	733.8		2,275.2
Financial investments	59,219.3	7,005.1	1.4	409.8	(11.6)	66,624.0
Investment property	2,266.2	223.2				2,489.4
Loans	5,040.4	446.4	129.0	1,643.5	(1,319.3)	5,940.0
Investments related to unit-linked contracts	14,653.4				(72.4)	14,581.0
Investments in associates	1,528.0	401.6		44.9	7.2	1,981.7
Reinsurance and other receivables	522.1	1,297.9	257.4	4.1	(51.8)	2,029.7
Current tax assets	41.1	6.4	2.0			49.5
Deferred tax assets	21.4	41.6	6.1			69.1
Accrued interest and other assets	1,852.1	382.9	20.2	37.1	(31.0)	2,261.3
Property, plant and equipment	929.1	145.6	17.3	0.8		1,092.8
Goodwill and other intangible assets	1,045.5	142.7	270.8			1,459.0
Assets held for sale	609.9					609.9
Total assets	**88,882.3**	**10,433.2**	**752.0**	**2,874.0**	**(1,478.9)**	**101,462.6**
Liabilities						
Liabilities arising from Life insurance contracts	27,975.5				(4.2)	27,971.3
Liabilities arising from Life investment contracts	30,074.7					30,074.7
Liabilities related to unit-linked contracts	14,649.3					14,649.3
Liabilities arising from Non-life insurance contracts		7,182.2				7,182.2
Debt certificates				2.2		2.2
Subordinated liabilities	1,085.0	211.0	128.1	1,549.0	(962.2)	2,010.9
Borrowings	2,407.5	152.8	191.6	198.6	(429.4)	2,521.1
Current tax liabilities	88.3	27.4	3.1	0.1		118.9
Deferred tax liabilities	1,367.4	203.8				1,571.2
RPN(I)				493.8		493.8
Accrued interest and other liabilities	1,585.2	586.6	131.9	9.2	(72.1)	2,240.8
Provisions	17.0	11.2		141.7		169.9
Liability related to written put option on NCI				1,443.0		1,443.0
Liabilities related to assets held for sale	434.2					434.2
Total liabilities	**79,684.1**	**8,375.0**	**454.7**	**3,837.6**	**(1,467.9)**	**90,883.5**
Shareholders' equity	7,351.3	1,691.1	297.3	571.2	(11.0)	9,899.9
Non-controlling interests	1,846.9	367.1		(1,534.8)		679.2
Total equity	**9,198.2**	**2,058.2**	**297.3**	**(963.6)**	**(11.0)**	**10,579.1**
Total liabilities and equity	**88,882.3**	**10,433.2**	**752.0**	**2,874.0**	**(1,478.9)**	**101,462.6**
Number of employees	**4,723**	**4,943**	**2,485**	**121**		**12,272**

31 December 2013	Life	Non-life	Other Insurance	General Account	Eliminations	Total
Assets						
Cash and cash equivalents	988.1	352.7	34.5	781.3		2,156.6
Financial investments	54,934.9	6,359.3	0.8	384.3	(11.6)	61,667.7
Investment property	2,137.2	217.3				2,354.5
Loans	4,718.2	306.2	120.3	1,946.8	(1,307.1)	5,784.4
Investments related to unit-linked contracts	14,170.3				(72.8)	14,097.5
Investments in associates	1,091.3	375.8		55.6	7.5	1,530.2
Reinsurance and other receivables	740.7	1,118.8	251.9	3.6	(95.0)	2,020.0
Current tax assets	45.3	26.5	2.1			73.9
Deferred tax assets	22.1	52.2	5.8			80.1
Accrued interest and other assets	1,918.8	569.1	15.7	34.6	(22.0)	2,516.2
Property, plant and equipment	908.6	162.9	16.4	1.0		1,088.9
Goodwill and other intangible assets	1,016.8	143.5	252.2	0.1		1,412.6
Total assets	**82,692.3**	**9,684.3**	**699.7**	**3,207.3**	**(1,501.0)**	**94,782.6**
Liabilities						
Liabilities arising from Life insurance contracts	26,266.6				(3.9)	26,262.7
Liabilities arising from Life investment contracts	28,792.8					28,792.8
Liabilities related to unit-linked contracts	14,170.0					14,170.0
Liabilities arising from Non-life insurance contracts		6,797.2				6,797.2
Debt certificates				68.4		68.4
Subordinated liabilities	1,094.2	190.1	119.4	1,548.5	(981.2)	1,971.0
Borrowings	2,247.6	142.1	191.1	181.5	(398.6)	2,363.7
Current tax liabilities	45.0	23.6	2.0	0.1		70.7
Deferred tax liabilities	1,032.2	91.8				1,124.0
RPN(I)				370.1		370.1
Accrued interest and other liabilities	1,449.8	607.1	136.0	84.8	(115.7)	2,162.0
Provisions	16.7	16.9	0.4	11.0		45.0
Liability related to written put option on NCI				1,255.0		1,255.0
Total liabilities	**75,114.9**	**7,868.8**	**448.9**	**3,519.4**	**(1,499.4)**	**85,452.6**
Shareholders' equity	5,865.4	1,497.1	250.8	913.4	(1.6)	8,525.1
Non-controlling interests	1,712.0	318.4		(1,225.5)		804.9
Total equity	**7,577.4**	**1,815.5**	**250.8**	**(312.1)**	**(1.6)**	**9,330.0**
Total liabilities and equity	**82,692.3**	**9,684.3**	**699.7**	**3,207.3**	**(1,501.0)**	**94,782.6**
Number of employees	**5,017**	**4,902**	**2,528**	**123**		**12,570**

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

First nine months 2014	Life	Non-life	Other Insurance	General Account	Eliminations	Total
Income						
- *Gross premium income*	*3,680.7*	*3,144.9*			*(0.3)*	*6,825.3*
- *Change in unearned premiums*		*(98.7)*				*(98.7)*
- *Ceded earned premiums*	*(80.7)*	*(189.1)*				*(269.8)*
Net earned premiums	3,600.0	2,857.1			(0.3)	6,456.8
Interest, dividend and other investment income	2,029.2	215.1	(9.3)	45.0	(47.4)	2,232.6
Realised gain (loss) on Call option BNP Paribas shares						
Unrealised gain (loss) on RPN(I)				(123.7)		(123.7)
Result on sales and revaluations	277.6	22.2	1.4	(0.6)	(9.3)	291.3
Income related to investments for unit-linked contracts	1,020.3					1,020.3
Share of result of associates	115.7	5.2		(0.1)		120.8
Fee and commission income	183.4	17.4	119.2		(32.4)	287.6
Other income	58.1	48.5	84.7	4.6	(38.0)	157.9
Total income	**7,284.3**	**3,165.5**	**196.0**	**(74.8)**	**(127.4)**	**10,443.6**
Expenses						
- *Insurance claims and benefits, gross*	*(4,435.2)*	*(2,004.3)*			*0.3*	*(6,439.2)*
- *Insurance claims and benefits, ceded*	*50.4*	*137.5*				*187.9*
Insurance claims and benefits, net	(4,384.8)	(1,866.8)			0.3	(6,251.3)
Charges related to unit-linked contracts	(1,028.3)					(1,028.3)
Financing costs	(115.4)	(9.5)	(8.5)	(38.2)	47.3	(124.3)
Change in impairments	(50.8)	(1.5)				(52.3)
Change in provisions	(1.0)	(0.7)		(130.6)		(132.3)
Fee and commission expenses	(373.0)	(618.3)	(10.0)		32.4	(968.9)
Staff expenses	(291.4)	(233.1)	(74.7)	(14.9)	0.6	(613.5)
Other expenses	(418.8)	(252.1)	(76.6)	(29.2)	37.5	(739.2)
Total expenses	**(6,663.5)**	**(2,982.0)**	**(169.8)**	**(212.9)**	**118.1**	**(9,910.1)**
Result before taxation	**620.8**	**183.5**	**26.2**	**(287.7)**	**(9.3)**	**533.5**
Tax income (expenses)	(66.2)	(42.2)	(0.6)			(109.0)
Net result for the period	**554.6**	**141.3**	**25.6**	**(287.7)**	**(9.3)**	**424.5**
Attributable to non-controlling interests	112.9	29.7				142.6
Net result attributable to shareholders	**441.7**	**111.6**	**25.6**	**(287.7)**	**(9.3)**	**281.9**
Total income from external customers	7,256.9	3,162.3	77.6	(53.2)		10,443.6
Total income internal	27.4	3.2	118.4	(21.6)	(127.4)	
Total income	**7,284.3**	**3,165.5**	**196.0**	**(74.8)**	**(127.4)**	**10,443.6**
Non-cash expenses (excl. depreciation & amortisation)	(100.9)	(3.2)				(104.1)

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

First nine months 2014	Life	Non-life	Other Insurance	General Account	Eliminations	Total
Gross premium income	3,680.7	3,144.9			(0.3)	6,825.3
Inflow deposit accounting	892.0					892.0
Gross inflow	**4,572.7**	**3,144.9**			**(0.3)**	**7,717.3**

First nine months 2013	Life	Non-life	Other Insurance	General Account	Eliminations	Total
Income						
- *Gross premium income*	*3,509.9*	*3,029.1*			*(0.8)*	*6,538.2*
- *Change in unearned premiums*		*(59.3)*				*(59.3)*
- *Ceded earned premiums*	*(70.6)*	*(180.4)*				*(251.0)*
Net earned premiums	3,439.3	2,789.4			(0.8)	6,227.9
Interest, dividend and other investment income	2,003.0	208.8	(9.3)	96.5	(46.6)	2,252.4
Realised gain (loss) on Call option BNP Paribas shares				(90.0)		(90.0)
Unrealised gain (loss) on RPN(I)				(114.0)		(114.0)
Result on sales and revaluations	119.9	21.5		(5.5)		135.9
Income related to investments for unit-linked contracts	637.6				(0.2)	637.4
Share of result of associates	84.4	39.6		271.0	(0.7)	394.3
Fee and commission income	200.5	17.3	114.5		(37.4)	294.9
Other income	61.7	50.3	61.8	2.9	(26.4)	150.3
Total income	**6,546.4**	**3,126.9**	**167.0**	**160.9**	**(112.1)**	**9,889.1**
Expenses						
- *Insurance claims and benefits, gross*	*(4,219.0)*	*(1,849.7)*			*0.9*	*(6,067.8)*
- *Insurance claims and benefits, ceded*	*41.3*	*73.8*				*115.1*
Insurance claims and benefits, net	(4,177.7)	(1,775.9)			0.9	(5,952.7)
Charges related to unit-linked contracts	(653.7)					(653.7)
Financing costs	(95.8)	(11.0)	(9.3)	(99.5)	46.7	(168.9)
Change in impairments	(40.7)	(6.0)		(0.1)	0.7	(46.1)
Change in provisions	0.4	(0.3)				0.1
Fee and commission expenses	(370.5)	(578.0)	(3.3)	(0.1)	37.3	(914.6)
Staff expenses	(286.8)	(231.7)	(72.2)	(13.6)	0.7	(603.6)
Other expenses	(388.3)	(251.9)	(71.4)	(32.0)	25.7	(717.9)
Total expenses	**(6,013.1)**	**(2,854.8)**	**(156.2)**	**(145.3)**	**112.0**	**(9,057.4)**
Result before taxation	**533.3**	**272.1**	**10.8**	**15.6**	**(0.1)**	**831.7**
Tax income (expenses)	(127.3)	(65.5)	0.9	(0.2)		(192.1)
Net result for the period	**406.0**	**206.6**	**11.7**	**15.4**	**(0.1)**	**639.6**
Attributable to non-controlling interests	94.7	32.2				126.9
Net result attributable to shareholders	**311.3**	**174.4**	**11.7**	**15.4**	**(0.1)**	**512.7**
Total income from external customers	6,518.9	3,123.5	77.3	169.4		9,889.1
Total income internal	27.5	3.4	89.7	(8.5)	(112.1)	
Total income	**6,546.4**	**3,126.9**	**167.0**	**160.9**	**(112.1)**	**9,889.1**
Non-cash expenses (excl. depreciation & amortisation)	(196.6)	(9.0)				(205.6)

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

First nine months 2013	Life	Non-life	Other Insurance	General Account	Eliminations	Total
Gross premium income	3,509.9	3,029.1			(0.8)	6,538.2
Inflow deposit accounting	1,264.9					1,264.9
Gross inflow	**4,774.8**	**3,029.1**			**(0.8)**	**7,803.1**

25.11 Operating result insurance

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

Operating result includes earned 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.

Realised and unrealised gains and losses on investments recognised in the income statement, which back the insurance liabilities of the various branches are included in the operating margin.

The reconciliation of the operating margin and profit before taxation, includes all income and costs, not allocated to the insurance or investment contracts and thus not reported in the operating margin.

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

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

First nine months 2014	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total Ageas
Gross inflow Life	2,907.3	99.7	1,225.0	340.7		(0.3)	4,572.4
Gross inflow Non-life	1,460.8	1,332.7	351.4				3,144.9
Operating costs	(391.2)	(149.4)	(103.3)	(35.2)			(679.1)
- *Guaranteed products*	*348.1*	*1.9*	*39.8*	*26.6*			*416.4*
- *Unit linked products*	*13.5*		*5.2*	*0.6*			*19.3*
Life operating result	361.6	1.9	45.0	27.2			435.7
- *Accident & Health*	*46.6*	*(1.2)*	*27.7*				*73.1*
- *Motor*	*27.4*	*39.2*	*10.3*				*76.9*
- *Fire and other damage to property*	*16.4*	*20.1*	*4.1*				*40.6*
- *Other*	*(29.7)*	*0.5*	*(1.3)*				*(30.5)*
Non-life operating result	60.7	58.6	40.8				160.1
Operating result	**422.3**	**60.5**	**85.8**	**27.2**			**595.8**
Share of result of associates non allocated		(1.8)	2.0	125.2	(0.1)		125.3
Other result, including brokerage	82.4	29.7	11.6	(14.4)	(287.6)	(9.3)	(187.6)
Result before taxation	**504.7**	**88.4**	**99.4**	**138.0**	**(287.7)**	**(9.3)**	**533.5**
Key performance indicators Life							
Net underwriting margin	0.02 %	1.16 %	0.08 %	1.38 %			0.08 %
Investment margin	0.89 %		0.35 %	0.35 %			0.76 %
Operating margin	0.91 %	1.16 %	0.43 %	1.73 %			0.84 %
- Operating margin Guaranteed products	*0.98 %*	*1.16 %*	*0.69 %*	*2.57 %*			*0.98 %*
- Operating margin Unit linked products	*0.32 %*		*0.11 %*	*0.11 %*			*0.20 %*
Life cost ratio in % of Life technical liabilities (annualised)	0.38 %	14.42 %	0.43 %	2.25 %			0.49 %
Key performance indicators Non Life							
Expense ratio	37.9 %	33.8 %	29.4 %				35.3 %
Claims ratio	64.0 %	65.5 %	61.3 %				64.3 %
Combined ratio	101.9 %	99.3 %	90.7 %				99.6 %
Operating margin	4.5 %	4.9 %	13.1 %				5.6 %
Technical Insurance liabilities	59,839.8	2,740.6	14,954.0	2,347.3		(4.2)	79,877.5

First nine months 2013	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total Ageas
Gross inflow Life	2,996.4	78.9	1,358.4	341.1		(0.8)	4,774.0
Gross inflow Non-life	1,425.4	1,269.1	334.6				3,029.1
Operating costs	(371.1)	(151.3)	(113.3)	(33.3)			(669.0)
- *Guaranteed products*	*291.7*	*(3.3)*	*51.2*	*21.5*			*361.1*
- *Unit linked products*	*17.6*		*26.7*	*(1.1)*			*43.2*
Life operating result	309.3	(3.3)	77.9	20.4			404.3
- *Accident & Health*	*47.4*	*(5.9)*	*21.8*				*63.3*
- *Motor*	*20.0*	*41.6*	*2.5*				*64.1*
- *Fire and other damage to property*	*40.1*	*43.8*	*(0.3)*				*83.6*
- *Other*	*(0.1)*	*5.9*	*4.4*				*10.2*
Non-life operating result	107.4	85.4	28.4				221.2
Operating result	**416.7**	**82.1**	**106.3**	**20.4**			**625.5**
Share of result of associates non allocated		5.0	27.3	94.7	271.0		398.0
Other result, including brokerage	51.8	14.4	8.8	(11.3)	(255.4)	(0.1)	(191.8)
Result before taxation	**468.5**	**101.5**	**142.4**	**103.8**	**15.6**	**(0.1)**	**831.7**
Key performance indicators Life							
Net underwriting margin	0.08 %	(4.22 %)	0.28 %	1.39 %			0.15 %
Investment margin	0.72 %		0.46 %	0.02 %			0.65 %
Operating margin	0.80 %	(4.22 %)	0.74 %	1.41 %			0.80 %
- Operating margin Guaranteed products	*0.84 %*	*(4.22 %)*	*0.89 %*	*2.13 %*			*0.87 %*
- Operating margin Unit linked products	*0.44 %*		*0.56 %*	*(0.25 %)*			*0.47 %*
Life cost ratio in % of Life technical liabilities (annualised)	0.37 %	29.78 %	0.53 %	2.30 %			0.50 %
Key performance indicators Non Life							
Expense ratio	36.8 %	32.7 %	29.5 %				34.4 %
Claims ratio	60.8 %	64.2 %	65.0 %				62.6 %
Combined ratio	97.6 %	96.9 %	94.5 %				97.0 %
Operating margin	8.1 %	7.3 %	9.5 %				7.9 %
Technical Insurance liabilities	56,386.7	2,672.4	14,747.2	1,956.7		(3.4)	75,759.6

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.

26 Contingent liabilities and other legal proceedings

26.1 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 accelerated 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. If these actions against Ageas were to be successful, they could eventually result in substantial monetary consequences for Ageas. However, today it is not possible to assess the outcome of the actions referred to in this contingent liabilities section or to quantify future Ageas' liabilities should they be successful.

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 take-over, on its future solvency 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. Although it is extremely difficult to predict the timing of further steps in these proceedings, hearings are probably not to be expected before 2016.

2. Criminal procedure in Belgium

In Belgium, since October 2008 a criminal procedure is ongoing in events mentioned above in the introduction to this chapter in particular on miscommunication on subprime between August 2007 and April 2008 and false accounts due to overestimation of subprime assets. In November 2012 certain individuals were indicted by the investigating magistrate. In February 2013 the public prosecutor 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 are in the process of exchanging written arguments. Although it is extremely difficult to predict the timing of further steps in these proceedings, hearings may take place in the first half of 2015.

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 17 on Provisions). Ageas has launched an appeal against the Court's decision with the Dutch Supreme Court in October 2014.

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

A series of individuals represented by Mr Bos demand damages on grounds of alleged Fortis miscommunication during 2008. On 15 February 2012, the Court of Utrecht decided 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 judgement by the Court of Utrecht was filed with the Appeal Court of Arnhem. 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 Court of Utrecht, claiming damages (of approximately EUR 85.860 plus interests on an aggregate basis) 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 Court of Utrecht, claiming damages (of approximately EUR 16,000 plus interest) because of miscommunication by Fortis between 29 September 2008 and 1 October 2008 as stated in the 29 July 2014 FortisEffect decision.

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 Commercial Court of Brussels initially demanding for 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. 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 and by Ageas to the claimants.

3.2.2. Deminor

On 13 January 2010, a series of shareholders associated with Deminor International brought an action before the Commercial Court of Brussels, 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. A calendar for the next procedural steps has to be fixed.

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 Commercial Court of Brussels, 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 are expected to take place in October 2015.

On 29 April 2013, a series of shareholders represented by Mr Arnauts brought an action before the Commercial Court of Brussels, 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.

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 BNP Paribas Fortis SA/NV, ageas SA/NV and ageas N.V., 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 Commercial Court of Brussels 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.

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, the Fortis parent companies 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 merits or 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 Interim 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 set aside. 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.

26.2 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. 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. The securities can also be exchanged at the discretion of the security holders at a price of EUR 239.40 per share. 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.

BNP Paribas Fortis SA/NV also issued EUR 1,000 million perpetual securities in 2004; ageas SA/NV granted a support agreement on the coupon payments at issuance. These securities have been called and redeemed at their first call date on 27 October 2014 and the support agreement therefore ceased to exist at that date.

26.3 Other contingent liabilities

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

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 claim prejudice for past and looking forward lost opportunities of frequent arbitrating between Unit-linked funds and a guaranteed fund using latest known value dates. First instance courts have allowed the claims. If the Paris Appeal Court were to grant the prejudice claims indemnification amounts could be at stake, which are now difficult to reliably estimate.

27 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

	30 September 2014			31 December 2013		
	Fair values			Fair values		
	Assets	Liabilities	Notional amount	Assets	Liabilities	Notional amount
Foreign exchange contracts						
Forwards and futures	0.5	49.7	1,264.4	5.2	0.1	687.0
Swaps	4.9		4.9		0.9	0.9
Total	**5.4**	**49.7**	**1,269.3**	**5.2**	**1.0**	**687.9**
Interest rate contracts						
Swaps	2.2	9.1	366.0	3.6	4.5	402.2
Options			854.0	1.6		1,170.0
Total	**2.3**	**9.1**	**1,220.0**	**5.2**	**4.5**	**1,572.2**
Equity/Index contracts						
Options and warrants	0.1			0.0		
Total	**0.1**			**0.0**		
Other	**4.3**		**101.1**	**4.0**		**119.4**
Total	**12.1**	**58.8**	**2,590.4**	**14.4**	**5.5**	**2,379.5**
Fair values supported by observable market data	7.7	58.8		3.7	1.0	
Fair values obtained using a valuation model	4.4			10.7	4.5	
Total	**12.1**	**58.8**		**14.4**	**5.5**	
Over the counter (OTC)	12.0	58.8	2,590.4	14.4	5.5	2,379.5
Exchange traded	0.1					
Total	**12.1**	**58.8**	**2,590.4**	**14.4**	**5.5**	**2,379.5**

Hedging derivatives

	30 September 2014			31 December 2013		
	Fair values			Fair values		
	Assets	Liabilities	Notional amount	Assets	Liabilities	Notional amount
Foreign exchange contracts						
Swaps	0.1	5.5	379.6	0.3	3.7	347.1
Total	**0.1**	**5.5**	**379.6**	**0.3**	**3.7**	**347.1**
Interest rate contracts						
Forwards and futures	42.2	9.4	635.6		14.4	507.6
Swaps		21.7	445.1	0.1	19.5	329.0
Options	0.3		82.2	1.1		82.2
Total	**42.5**	**31.1**	**1,162.9**	**1.2**	**33.9**	**918.8**
Total	**42.6**	**36.6**	**1,542.5**	**1.5**	**37.6**	**1,265.9**
Fair values supported by observable market data		9.4				
Fair values obtained using a valuation model	42.6	27.2		1.5	37.6	
Total	**42.6**	**36.6**		**1.5**	**37.6**	
Over the counter (OTC)	42.6	36.6	1,542.5	1.5	37.6	1,265.9
Total	**42.6**	**36.6**	**1,542.5**	**1.5**	**37.6**	**1,265.9**

Derivatives are valued based on level 2 (observable inputs based on active markets).

28 Commitments

The Commitments Received and Given can be shown at 30 September as follows.

Commitments	30 September 2014		31 December 2013	
Commitment Received				
Credit lines	431.4		271.5	
Other credit related	1.7		1.7	
Collateral & guarantees received	4,480.6		4,048.3	
Other off balance-sheet rights	384.5		5.9	
Insurance related rights and commitment			14.6	
Total received	**5,298.2**		**4,342.0**	
Commitment Given				
Guarantees, Financial and Performance Letters of Credit	81.3		114.4	
Credit lines		504.2		438.8
Used		(154.2)		(117.6)
Available	350.0		321.2	
Collateral & guarantees given	1,555.2		1,683.6	
Entrusted assets and receivables	957.6		618.3	
Capital rights & commitments	150.8		126.3	
Other off balance-sheet commitments	635.5		446.7	
Total given	**3,730.4**		**3,310.5**	

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 in connection with repurchase agreements, entrusted assets and receivables and extended credit lines.

29 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 (see note 12 Debt certificates) held at amortised cost.

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

	30 September 2014		31 December 2013	
	Carrying value	Fair value	Carrying value	Fair value
Assets				
Cash and cash equivalents	2,275.2	2,275.2	2,156.6	2,156.6
Financial Investments held to maturity	4,926.0	6,787.6	4,974.4	5,865.4
Loans	5,940.0	6,371.5	5,784.4	5,970.8
Reinsurance and other receivables	2,029.7	2,028.1	2,020.0	2,206.9
Total financial assets	**15,170.9**	**17,462.4**	**14,935.4**	**16,199.7**
Liabilities				
Debt certificates	2.2	2.2	68.4	68.4
Subordinated liabilities	2,010.9	2,309.1	1,971.0	2,000.3
Loans	2,167.5	2,167.4	2,037.2	2,037.0
Other borrowings	353.7	346.7	326.5	307.0
Total financial liabilities	**4,534.3**	**4,825.4**	**4,403.1**	**4,412.7**

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 below.

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.

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 3 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.

30 Events after the date of the statement of financial position

There have been no material events since the date of the Consolidated statement of financial position that would require adjustment in the Ageas Consolidated Interim Financial Statements as at 30 September 2014.

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 nine months of 2014 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 nine months of 2014 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 nine months of 2014 on 4 November 2014 and authorised their issue.

Brussels, 4 November 2014

Board of Directors

Chairman	Jozef De Mey
Vice-Chairman	Guy de Selliers de Moranville
Chief Executive Officer	Bart De Smet
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 30 September 2014 and the nine-month period then ended

Introduction
We have reviewed the accompanying condensed consolidated interim financial information of Ageas, which comprises the consolidated statement of financial position of as at 30 September 2014, the consolidated income statement and consolidated statements of comprehensive income for the nine and three-month period then ended, changes in equity and cash flows for the nine-month period then ended, and notes. The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

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 30 September 2014 and for the nine-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 17 to the condensed consolidated interim financial information for the nine-month period ended September 2014, which describes the uncertainties on the final amount and timing of outflows of economic benefits 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 26 to the condensed consolidated interim financial information for the nine-month period ended 30 September 2014 in which is described that Ageas is involved also 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, 4 November 2014

KPMG Réviseurs d'Entreprises / Bedrijfsrevisoren
Statutory auditor

Represented by

M. Lange	K. Tanghe
Réviseur d'Entreprises/Bedrijfsrevisor	Réviseur d'Entreprises/Bedrijfsrevisor