CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST NINE MONTHS OF 2013

Brussels, 6 November 2013

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

Ageas at a glance 9M 2013

Net result attributable to shareholders **€ 513 million**	Shareholders' equity **€ 8,727 million**	Group Return on Equity **7.4%**
Dividend over 2012 per share **€ 1.20**	Net result General Account **€ 15 million**	Number of Employees **13,097**
Net result Insurance **€ 497 million**	Insurance Return on Equity **8.4%**	Solvency ratio Insurance **210%**
Gross Inflow[1)] **€ 17,767 million**	Insurance liabilities **€ 76,577 million**	Combined ratio **97.6%**

1) Gross inflow includes the inflow of Ageas's equity associates. Excluding the equity associates, as reported under IFRS, the inflow amounted to EUR 8,203 million.

	First nine months 2013	First nine months 2012	First nine months 2011
Income Statement			
Gross Inflow	8,203.4	8,181.8	8,423.4
Total income	10,348.2	11,443.2	8,046.9
Net result attributable to shareholders	512.7	518.4	(533.7)
- of which Insurance	497.4	449.5	(208.7)
- of which General (incl. Eliminations)	15.3	68.9	(325.0)
Share information (in EUR)			
Basic Earnings per share [2]	2.24	2.17	(2.07)
Other data			
Combined ratio	97.6%	97.9%	100.2%
Cost life ratio	0.50%	0.51%	0.50%
Return on equity [3]	7.4%	8.0%	-8.6%
Return on equity (Insurance) [3]	8.4%	8.8%	-4.7%

	30 September 2013	31 December 2012	31 December 2011
Statement of financial position [1]			
Total assets	95,569.6	97,085.7	90,579.3
Technical Insurance liabilities	76,576.5	76,318.3	70,599.6
Shareholders' equity	8,726.7	9,799.4	7,682.8
Non controlling interests	883.4	871.5	604.3
Total equity	9,610.1	10,670.9	8,287.1
Other data			
Solvency ratio Insurance	209.6%	203.8%	205.5%
Solvency ratio Group	225.7%	228.6%	235.3%
Employees (FTE)	13,097	13,335	12,577
Number of shares (in millions) [2]	227.9	231.8	240.6

1) *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. The comparative figures for 2011 and 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.*

REPORT OF THE **BOARD** of **DIRECTORS** OF *Ageas*

Mr Ronny Brückner, member of Ageas's Board of Directors, sadly passed away on 4 August 2013. We pay tribute to him and remember him for his energy and devotion to Ageas.

Developments

On 16 September 2013 ageas SA/NV held an extraordinairy meeting of shareholders. This General Meeting of Shareholders approved the cancellation of the remaining shares (469,705) of the share buy back programme 2012 as well as a second reduction of capital, by means of reimbursement to shareholders resulting in a distribution of EUR 1.00 per share. This distribution will take place on 13 December 2013.

In addition the meeting approved the nomination of Mrs Lucrezia Reichlin and Mr Richard Jackson as independent non-executive members of the Board of Directors for a period of 3 years, until the close of the Ordinary General Meeting of Shareholders in 2016.

Results for the first nine months of 2013

The Group net profit for the first nine months of 2013 amounted to EUR 513 million compared to a net profit of EUR 518 million in the first nine months of 2012.

Total shareholders' equity at the end of September amounted to EUR 8.7 billion, or EUR 38.30 per share, compared to EUR 9.8 billion at the end of last year.

The Insurance and Group solvency ratios amounted to 210% and 226% respectively, with total available capital EUR 5.2 billion above the minimum capital requirements (of which EUR 4.5 billion in insurance).

Insurance

The net Insurance profit for the first nine months amounted to EUR 497 million (vs. EUR 450 million). The Life activities net result for the first nine months amounted to EUR 311 million compared to EUR 293 million last year.

In Belgium, the net result in the first nine months amounted to EUR 190 million (vs. EUR 165 million).

In Continental Europe, the net result was virtually unchanged at EUR 36 million as the contribution of the non-consolidated partnerships and a lower tax rate offset the lower consolidated operating results. Year-to-date, the Asian activities contributed EUR 87 million to net result (vs. EUR 92 million). Excluding positive non-recurring results last year, the net result improved by EUR 11 million. Last year's result included a EUR 8 million positive non-recurring adjustment in Hong Kong and another net EUR 8 million positive non-recurrent one-offs for the non-consolidated partnerships. The underlying performance improved as a result of organic growth and good investment performance across the region, which was partially offset by the expenses related to the sales campaigns and channel expansion in China.

The Non-Life net result for the first nine months amounted to EUR 174 million, compared to EUR 143 million with a combined ratio of 97.6%. All segments continued to perform well across all business lines with an increased contribution from the non-consolidated partnerships in Asia and Turkey. This year's result in Belgium benefited from a strong underwriting performance, driven by a low claims ratio in Household throughout the year while the Motor activities did well in the third quarter. In the UK, the year-to-date net result was EUR 77 million (vs. EUR 73 million) thanks to the continued improvement in Household and the solid result of Groupama Insurance Company Ltd. (GICL), with a net result of EUR 14 million. In Continental Europe, the year-to-date net profit more than doubled to EUR 26 million (vs. EUR 13 million), including a non-recurring capital gain of EUR 9 million, realised on real estate in the second quarter in Turkey. Strong underwriting and investment performances made the net profit year-to-date in Asia more than double.

The Group combined ratio further improved to 97.6% compared to 97.9% last year. Taking into account the decrease of the prior year release from 3.8% to 2.8%, the current year combined ratio improved with 1.3%, spread over the UK and Belgium.

The UK's Retail operations reported total fee and commission income of EUR 181 million. The reported net result year-to-date decreased to EUR 12 million (vs. EUR 13 million) including EUR 12 million of regional costs and a one-off deferred tax benefit of EUR 3 million. In light of the competitive market environment, cost containment actions have been initiated resulting year-to-date in a cost reduction of 13% on the total Retail business.

General Account

The net profit of EUR 15 million of the General Account includes the decrease of EUR 114 million in the value of the RPN(I) liability (mainly due to the revised valuation methodology).The RPN(I) valuation at the end of September stood at EUR 279 million compared to EUR 165 million at the end of December.

RPN(I)

Following the introduction of IFRS 13 in 2013, Ageas reviewed the valuation approach relating to the RPN(I) liability in the third quarter. Up to the first half year 2013 and following IAS 39, Ageas applied a settlement notion. Analysing the exit modalities agreed with BNP Paribas in the 2012 partial settlement and considering the fact that BNP Paribas recognises the reference amount as an asset, a valuation based on a transfer notion was more appropriate under IFRS 13. Ageas decided to use the RPN-reference amount for valuation purposes as of the third quarter 2013.

The shift from settlement to transfer notion created a one-off loss of EUR 87 million in the third quarter, while the increase of the reference amount from EUR 258 million to EUR 279 million within the third quarter created an additional EUR 21 million loss. This increase of the reference amount was on the one hand due to a price movement of the CASHES from 56.17% to 59.29% (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) and partially offset by an increase of the Ageas share price from EUR 26.98 to EUR 29.94 (each EUR 1.00 increase of the Ageas share price decreases the reference amount with EUR 5 million).

The switch to the reference amount (transfer notion) introduces a more transparent and easy to calculate methodology to value the remaining RPN(I) liability.

For further details on the reference amount and the valuation of the RPN(I), we refer to note 16.

Royal Park Investments (RPI)

RPI announced on 27 April 2013 the disposal of its asset portfolio in a block sale to an institutional investor. Based on the offer accepted the asset portfolio was valued at EUR 6.7 billion. The transaction was settled in the course of May except for a limited number of securities in the portfolio that will be settled before year end.

The total IFRS profit, at 100% and on an IFRS basis, amounted to EUR 0.6 billion at the end of September 2013 or EUR 0.3 billion at Ageas's part.

The equity value of the stake of Ageas in RPI amounts to EUR 241 million compared to EUR 240 million at the end of June 2013, an increase of EUR 1 million.

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

Other items

Net interest income amounted to minus EUR 3 million vs. EUR 27 million. The latter included an EUR 30 million one-off positive from the amortization of the discount on the BNP Paribas Fortis Tier 1 debt securities and EUR 9 million interest received on the Tier 1.

Staff and other operating expenses for the first 9 months came down from EUR 37 million to EUR 33 million, mainly as a result of lower legal and consultancy costs.

Solvency

Ageas's total available capital amounted to EUR 9.3 billion at the end of September 2013 compared to EUR 9.1 billion at the end of 2012. It exceeded the total consolidated regulatory minimum capital requirements by EUR 5.2 billion, of which EUR 4.5 billion in insurance. The total available capital of the insurance activities amounted to EUR 8.6 billion, with minimum solvency requirements stable at EUR 4.1 billion. This led to a solvency ratio for the global insurance operations of 210%. The solvency ratios by segments remained strong and amounted to 188% for Belgium, 220% for the United Kingdom, 258% for Continental Europe and 230% for Asia.

Net cash position General Account

The net cash position of the General Account at the end of September amounted to EUR 2.0 billion and comprises cash & cash equivalents of EUR 0.8 billion, short-term bank deposits of EUR 1.3 billion and adjusted for the remaining outstanding amount of EUR 0.1 billion on the European Medium Term Notes (EMTN) programme.

The net cash position has slightly decreased in the third quarter by EUR 74 million, partially explained by the buy-back of shares (EUR 33 million). The payment of the planned capital reduction of EUR 1.00 per share (EUR 0.2 billion), approved at the General Shareholders' meeting of 16 September, is foreseen on 13 December.[1] An additional cash distribution following the aforementioned sale of the assets of RPI earlier this year is expected at the end of 2013.

Contingent Liabilities

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

Brussels, 5 November 2013

Board of directors

1 *Ex-coupon date 10/12/2013 and payment date 13/12/2013, provided no creditors have claimed their right as mentioned in article 613 of the Belgian Company Code.*

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST NINE MONTHS OF 2013

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(before appropriation of profit)

	Note	30 September 2013	31 December 2012 1)	31 December 2011 1)
Assets				
Cash and cash equivalents	6	2,174.0	2,449.9	2,701.5
Financial investments	7	62,062.6	62,571.8	55,231.4
Investment property	7	2,351.3	2,415.5	2,045.7
Loans	8	5,913.5	6,288.4	5,683.4
Investments related to unit-linked contracts		14,043.1	13,683.9	12,771.4
Investments in associates	9	1,605.3	2,123.6	1,959.5
Reinsurance and other receivables		2,097.5	1,968.0	4,111.1
Current tax assets		40.2	9.4	127.1
Deferred tax assets	15	92.1	171.7	358.8
Call option BNP Paribas shares	10		234.0	395.0
Accrued interest and other assets		2,434.9	2,556.4	2,363.3
Property, plant and equipment		1,082.5	1,115.0	1,098.3
Goodwill and other intangible assets		1,434.2	1,498.1	1,594.3
Assets held for sale	2	238.4		138.5
Total assets		**95,569.6**	**97,085.7**	**90,579.3**
Liabilities				
Liabilities arising from life insurance contracts	11.1	26,068.7	25,914.3	24,370.4
Liabilities arising from life investment contracts	11.2	28,791.9	29,100.7	27,201.5
Liabilities related to unit-linked contracts	11.3	14,110.5	13,767.0	12,823.8
Liabilities arising from non-life insurance contracts	11.4	7,605.4	7,536.3	6,203.9
Debt certificates	12	123.1	186.8	256.7
Subordinated liabilities	13	1,931.9	2,915.5	2,973.6
Borrowings	14	2,365.6	1,968.0	2,277.0
Current tax liabilities		62.8	129.1	59.2
Deferred tax liabilities	15	1,072.0	1,410.9	585.0
RPN(I)	16	279.0	165.0	190.0
Accrued interest and other liabilities		2,375.8	2,255.1	2,181.4
Provisions	17	53.5	69.1	2,403.4
Liability related to written put option on NCI	18	1,093.0	997.0	655.8
Liabilities related to assets held for sale	2	26.3		110.5
Total liabilities		**85,959.5**	**86,414.8**	**82,292.2**
Shareholders' equity	3	8,726.7	9,799.4	7,682.8
Non-controlling interests		883.4	871.5	604.3
Total equity		**9,610.1**	**10,670.9**	**8,287.1**
Total liabilities and equity		**95,569.6**	**97,085.7**	**90,579.3**

1) 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. The comparative figures for 2011 and 2012 have been restated accordingly.

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CONSOLIDATED INCOME STATEMENT

	Note	First nine months 2013	First nine months 2012	Third quarter 2013	Third quarter 2012
Income					
- *Gross premium income* [1)]		*6,938.5*	*7,417.6*	*2,289.8*	*2,186.2*
- *Change in unearned premiums*		*(4.4)*	*(88.7)*	*33.8*	*51.8*
- *Ceded earned premiums*		*(270.7)*	*(243.1)*	*(90.3)*	*(81.3)*
Net earned premiums	*19*	6,663.4	7,085.8	2,233.3	2,156.7
Interest, dividend and other investment income	*20*	2,274.8	2,281.0	762.9	742.9
(Un)realised gain (loss) on Call option BNP Paribas shares		(90.0)	(221.0)		57.0
Unrealised gain (loss) on RPN(I) (incl. settlement on RPN(I)/CASHES)		(114.0)	(268.1)	(108.0)	14.0
Result on sales and revaluations	*21*	145.6	325.9	41.7	54.5
Investment income related to unit-linked contracts		637.4	1,562.5	430.7	792.8
Share of result of associates		389.3	180.4	38.3	39.6
Fee and commission income		294.9	298.7	97.6	101.0
Other income		146.8	198.0	57.1	78.8
Total income		**10,348.2**	**11,443.2**	**3,553.6**	**4,037.3**
Expenses					
- *Insurance claims and benefits, gross*		*(6,409.0)*	*(6,933.7)*	*(2,144.7)*	*(2,093.7)*
- *Insurance claims and benefits, ceded*		*125.4*	*90.0*	*47.6*	*25.5*
Insurance claims and benefits, net	*22*	(6,283.6)	(6,843.7)	(2,097.1)	(2,068.2)
Charges related to unit-linked contracts		(653.7)	(1,555.4)	(439.0)	(798.5)
Financing costs	*23*	(183.2)	(195.5)	(60.5)	(64.9)
Change in impairments	*24*	(46.1)	(95.3)	(12.6)	(15.3)
Change in provisions	*17*	0.1	2.1	3.1	1.2
- *Impairment claims on ABN AMRO*			*(1,962.5)*		
- *Release provision MCS conversion and Dutch State issues*			*2,362.5*		
Total impact settlement ABN AMRO	*10*		400.0		
Fee and commission expenses		(974.8)	(928.6)	(317.3)	(300.8)
Staff expenses		(622.6)	(590.6)	(206.1)	(197.5)
Other expenses		(744.6)	(707.2)	(270.3)	(269.3)
Total expenses		**(9,508.5)**	**(10,514.2)**	**(3,399.8)**	**(3,713.3)**
Result before taxation		**839.7**	**929.0**	**153.8**	**324.0**
Tax income (expenses)		(195.1)	(272.0)	(66.2)	(65.6)
Net result for the period		**644.6**	**657.0**	**87.6**	**258.4**
Attributable to non-controlling interests		131.9	138.6	46.5	44.7
Net result attributable to shareholders		**512.7**	**518.4**	**41.1**	**213.7**
Per share data (EUR)					
Basic earnings per share	*3*	2.24	2.17		
Diluted earnings per share	*3*	2.24	2.17		

1) *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 2013	First nine months 2012	Third quarter 2013	Third quarter 2012
Gross premium income		6,938.5	7,417.6	2,289.8	2,186.2
Inflow deposit accounting (directly recognised as liability)		1,264.9	764.2	389.5	291.4
Gross inflow	*19*	**8,203.4**	**8,181.8**	**2,679.3**	**2,477.6**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Other comprehensive income	First nine months 2013	First nine months 2012	Third quarter 2013	Third quarter 2012
Changes in revaluation of investments				
Change in amortisation of investments held to maturity, gross	22.8	21.3	7.7	7.3
Related tax	(5.6)	(5.3)	(1.9)	(1.8)
Change in investments held to maturity, net	17.2	16.0	5.8	5.5
Change in revaluation of investments available for sale, gross [1]	(860.4)	2,371.9	297.2	981.4
Related tax	269.0	(751.5)	(71.0)	(306.4)
Change in revaluation of investments available for sale, net	(591.4)	1,620.4	226.2	675.0
Share of other comprehensive income of associates, gross	(216.6)	(24.8)	(105.7)	(33.9)
Related tax				
Share of other comprehensive income of associates, net	(216.6)	(24.8)	(105.7)	(33.9)
Change in revaluation of investments, gross	(1,054.2)	2,368.4	199.2	954.8
Related tax	263.4	(756.8)	(72.9)	(308.2)
Change in revaluation of investments, net	**(790.8)**	**1,611.6**	**126.3**	**646.6**
Change in remeasurement IAS 19, gross	30.0	8.9	30.0	8.9
Related tax	(8.5)	(2.1)	(8.5)	(2.1)
Change in remeasurement IAS 19, net [2]	**21.5**	**6.8**	**21.5**	**6.8**
Change in foreign exchange differences, gross	(124.2)	87.4	(49.6)	(17.2)
Related tax				
Change in foreign exchange differences, net	**(124.2)**	**87.4**	**(49.6)**	**(17.2)**
Other comprehensive income for the period	**(893.5)**	**1,705.8**	**98.2**	**636.2**
Net result for the period	**644.6**	**657.0**	**87.6**	**258.4**
Total comprehensive income for the period	**(248.9)**	**2,362.8**	**185.8**	**894.6**
Net result attributable to non-controlling interests	131.9	138.6	46.5	44.7
Other comprehensive income attributable to non-controlling interests	(98.1)	461.5	65.1	188.3
Total comprehensive income attributable to non-controlling interests	**33.8**	**600.1**	**111.6**	**233.0**
Total comprehensive income attributable to shareholders	**(282.7)**	**1,762.7**	**74.2**	**661.6**

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.*
2) *The change in Remeasurement IAS 19 remains in equity and will never result in a movement in the income statement contrary to the other changes in the Consolidated statement of comprehensive income.*

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 2012	**2,203.6**	**2,105.0**	**3,354.3**	**163.4**	**(578.2)**	**512.2**	**7,760.3**	**607.4**	**8,367.7**
Change in accounting policies IAS 19			**(77.5)**				**(77.5)**	**(3.1)**	**(80.6)**
Adjusted Balance at 1 January 2012	**2,203.6**	**2,105.0**	**3,276.8**	**163.4**	**(578.2)**	**512.2**	**7,682.8**	**604.3**	**8,287.1**
Net result for the period					518.4		518.4	138.6	657.0
Revaluation of investments						1,155.7	1,155.7	455.9	1,611.6
Remeasurement IAS 19			6.8				6.8		6.8
Foreign exchange differences				81.8			81.8	5.6	87.4
Total non-owner changes in equity			6.8	81.8	518.4	1,155.7	1,762.7	600.1	2,362.8
Transfer			(578.2)		578.2				
Dividend			(187.6)				(187.6)	(7.5)	(195.1)
Treasury shares			(75.8)				(75.8)		(75.8)
Cancellation of shares	(161.4)	(44.5)	205.9						
Share based compensation		0.9					0.9		0.9
Impact written put option on NCI			364.2				364.2	(388.4)	(24.2)
Other changes in equity			33.4				33.4	19.5	52.9
Balance at 30 September 2012	**2,042.2**	**2,061.4**	**3,045.5**	**245.2**	**518.4**	**1,667.9**	**9,580.6**	**828.0**	**10,408.6**
Balance at 1 January 2013	**2,042.2**	**2,968.1**	**1,968.2**	**173.6**	**743.0**	**2,015.5**	**9,910.6**	**875.5**	**10,786.1**
Change in accounting policies IAS 19			**(111.2)**				**(111.2)**	**(4.0)**	**(115.2)**
Adjusted Balance at 1 January 2013	**2,042.2**	**2,968.1**	**1,857.0**	**173.6**	**743.0**	**2,015.5**	**9,799.4**	**871.5**	**10,670.9**
Net result for the period					512.7		512.7	131.9	644.6
Revaluation of investments						(692.3)	(692.3)	(98.5)	(790.8)
Remeasurement IAS 19			18.3				18.3	3.2	21.5
Foreign exchange differences				(121.4)			(121.4)	(2.8)	(124.2)
Total non-owner changes in equity			18.3	(121.4)	512.7	(692.3)	(282.7)	33.8	(248.9)
Transfer			743.0		(743.0)				
Dividend			(269.8)				(269.8)	(116.3)	(386.1)
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			(2.6)				(2.6)		(2.6)
Balance at 30 September 2013	**1,727.8**	**2,853.0**	**2,257.8**	**52.2**	**512.7**	**1,323.2**	**8,726.7**	**883.4**	**9,610.1**

As of 2013, the 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. The comparative figures for 2012 have been restated accordingly resulting in a negative impact on total equity at 1 January 2012 of EUR 80.6 million and at 1 January 2013 of EUR 115.2 million. The line Remeasurement IAS 19 (EUR 21.5 million) relates in 2013 to changes in the discount rates applied for the calculation of the Defined benefit Obligation.

CONSOLIDATED CASH FLOW STATEMENT

	Note	First nine months 2013	First nine months 2012
Result before taxation		**839.7**	**929.0**
Adjustments to non-cash items included in result before taxation:			
Call option BNP Paribas shares	*10*	90.0	221.0
RPN(I)	*16*	114.0	268.1
Result on sales and revaluations	*21*	(145.6)	(325.9)
Share of results in associates		(389.3)	(180.4)
Depreciation, amortisation and accretion		549.5	557.9
Impairments	*24*	46.1	95.5
Provisions	*17*	(0.1)	(2.1)
Share-based compensation expense		1.3	1.5
Changes in operating assets and liabilities:			
Derivatives held for trading (assets and liabilities)	*7*	5.8	(34.7)
Loans	*8*	382.3	(565.1)
Reinsurance and other receivables		(121.6)	1,728.9
Investments related to unit-linked contracts		(374.5)	(805.2)
Borrowings	*14*	219.2	(322.2)
Liabilities arising from insurance and investment contracts	*11.1 & 11.2*	(4.5)	2,848.8
Liabilities related to unit-linked contracts	*11.3*	352.7	923.8
Call option BNP Paribas shares	*10*	144.0	
Net changes in all other operational assets and liabilities		65.3	(3,469.4)
Dividend received from associates		109.9	11.8
Income tax paid		(299.2)	(85.1)
Cash flow from operating activities		**1,585.0**	**1,796.2**
Purchases of financial investments	*7*	(9,713.6)	(13,108.1)
Proceeds from sales and redemptions of financial investments		8,895.3	11,328.5
Purchases of investment property	*7*	(198.5)	(239.0)
Proceeds from sales of investment property		117.1	48.3
Purchases of property, plant and equipment	*7*	(74.9)	(58.6)
Proceeds from sales of property, plant and equipment		3.0	0.5
Acquisition (capital increase) of subsidiaries and associates	*2*	(234.1)	(33.7)
Divestments of subsidiaries and associates (including cash in assets held for sale)	*2, 4 & 9*	744.1	46.6
Purchases of intangible assets		(10.8)	(10.7)
Proceeds from sales of intangible assets		0.1	0.2
Cash flow from investing activities		**(472.3)**	**(2,026.0)**
Redemption of debt certificates	*4, 12 & 14*	(62.3)	(70.4)
Proceeds from the issuance of subordinated liabilities	*13*	420.2	8.0
Redemption of subordinated liabilities	*13*	(1,370.7)	(26.1)
Proceeds from the issuance of other borrowings	*14*	188.6	64.0
Payment of other borrowings		(48.4)	(4.8)
Purchases of treasury shares	*3 & 4*	(104.8)	(75.8)
Dividends paid to shareholders of the parent companies	*4*	(269.8)	(197.5)
Dividends paid to non-controlling interests	*4*	(116.3)	(7.5)
Cash flow from financing activities		**(1,363.5)**	**(310.1)**
Effect of exchange rate differences on cash and cash equivalents		**(25.1)**	**11.4**
Net increase (decrease) of cash and cash equivalents		**(275.9)**	**(528.5)**
Cash and cash equivalents as at 1 January	*6*	**2,449.9**	**2,701.5**
Cash and cash equivalents as at 30 September	*6*	**2,174.0**	**2,173.0**
Supplementary disclosure of operating cash flow information			
Interest received	*20*	2,034.4	2,047.9
Dividend received from financial investments	*20*	68.0	55.5
Interest paid	*23*	(232.1)	(237.4)

GENERAL NOTES

1

SUMMARY ACCOUNTING POLICIES AND PRINCIPLES OF CONSOLIDATION

The Consolidated Interim Financial Statements for the first nine months of 2013 comply with International Financial Reporting Standards (IFRSs) as at 1 January 2013, 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 Ageas Consolidated Interim Financial Statements for the first nine months of 2013, including the 2012 comparative figures, have been prepared in accordance with IAS 34 Interim Financial Reporting and include condensed consolidated financial statements (statement of financial position, income statement, statement of changes in equity, cash flow statement), consolidated statement of comprehensive income and selected explanatory notes. Ageas applies International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU'). The Ageas Consolidated Interim Financial Statements for the first nine months of 2013 should be read in conjunction with the audited Ageas Consolidated Financial Statements 2012 (including the accounting policies) which are available at: http://www.ageas.com/.

1.2 Changes in accounting policies

The accounting policies used to prepare the Consolidated Interim Financial Statements for the first nine months of 2013 are, besides the implementation of the revised IAS 19 'Employee Benefits' and IFRS 13, consistent with those applied in the Ageas Consolidated Financial Statements for the year ended 31 December 2012.

The most significant change in the revised standard is the immediate recognition in equity of 'actuarial gains and losses', instead of using the so called corridor approach. On the other hand the past service cost will be directly recognised in the Income statement and no longer in the corridor; the interest cost/income is based on the net asset/liability and no longer as the difference between the expected return on the assets versus the lower interest cost for gross liability.

The comparative figures for 2012 and 2011 have been restated accordingly resulting in a negative impact at 1 January 2012 of EUR 81 million on equity and at 31 December 2012 of EUR 115 million. The impact on the 2012 net result was immaterial (< EUR 1 million) and therefore not restated.

IFRS 13 came into force on 1 January 2013 and redefines how fair value for financial instruments needs to be determined. IFRS 13 is using the concept of 'exit value', whereas Ageas previously used the concept of 'settlement value' (the price payable to a counterparty to discharge the liability). Exit value is the price that would have been paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The consequences of these developments – which are accounted for prospectively - are set out in detail in note 16 RPN(I).

1.3 Accounting estimates

The preparation of the 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 are 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 within the next financial year.

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

30 September 2013	
Assets	**Estimation uncertainty**
Available for sale securities	
- Financial instruments	
- Level 2	- The valuation model - Inactive markets
- Level 3	- The valuation model - Use of non market observable input - Inactive markets
Investment property	Determination of the useful life and residual value
Loans	- The valuation model - Maturity - 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 option on NCI	- Estimated future fair value - Discount rate

1.4 Segment reporting

Operating segments

The format for reporting segment information is based on 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.

The operating segments are:
- Belgium;
- United Kingdom (UK);
- Continental Europe;
- Asia;
- General Account.

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

Activities not related to Insurance and eliminations 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 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.

1.5 Consolidation principles

The Consolidated Interim Financial Statements for the first nine months of 2013 include ageas SA/NV (the 'Parent Company') and her subsidiaries.

Investments in associates – investments in which Ageas has significant influence, but 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 2013	31 December 2012	First nine months 2013	First nine months 2012
Pound sterling	0.84	0.82	0.85	0.81
US dollar	1.35	1.32	1.32	1.28
Hong Kong dollar	10.47	10.23	10.22	9.94

2

ACQUISITIONS AND DISPOSALS

The following significant acquisitions and disposals were made in 2013 and 2012. Details on acquisitions and disposals, if any, which took place after the date of the statement of financial position, are included in Note 29 Events after the date of the statement of financial position.

2.1 Acquisitions and disposals in 2013

2.1.1 DTH Partners LCC

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 LCC. 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 the close of Q3, the purchase accounting has not been completed since the valuation of the underlying buildings in New York at the moment of closing is not yet available. The final determination of goodwill/badwill is therefore not yet available.

For further details see Note 5 Related parties.

2.1.2 Assets and liabilities held for sale

The caption assets and liabilities held for sale include the real estate subsidiaries North Light and Pole Star (assets in total: EUR 239 million; liabilities in total: EUR 26 million). In accordance with IFRS 5, these assets and liabilities have been classified as assets and liabilities held for sale as the closing of the sales are expected in December 2013.

2.1.3 Other acquisitions

In addition to the before mentioned transactions, some acquisitions in the normal course of business were done in the first half year of 2013. This includes a participation of 20% in FREY for EUR 21 million.

2.2 Disposals in 2013

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

2.3 Acquisitions in 2012

2.3.1 Aksigorta A.Ş.

On 21 November 2011, Ageas and Sabanci agreed to jointly increase their interests in Aksigorta to a maximum of 36% in order to further strengthen the partnership between the two groups. As at 31 December 2012, both entities had a 36% interest in Aksigorta. Ageas spent EUR 10.5 million on the additional acquisition, EUR 6.3 million in 2012 and EUR 4.2 million in the last quarter of 2011.

2.3.2 Acquisitions AG Real Estate

AG Real Estate acquired real estate companies for an amount of EUR 84 million. There was no goodwill recognised on these acquisitions.

2.3.3 Groupama Insurance Company Limited

On 21 September 2012, Ageas signed an agreement to acquire Groupama Insurance Company Limited (GICL) for a total cash consideration of GBP 116 million (EUR 145 million). The acquisition was made to strengthen the market position of Ageas UK. The acquisition turned Ageas into the UK's fifth largest Non-life insurer (with a 5.2% market share); fourth largest private motor insurer (with a 11.7% market share); and fourth largest personal lines insurer (with a 7.1% market share). The transaction was closed on 14 November 2012. On completion GICL became a wholly owned subsidiary of Ageas UK.

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

Assets		Liabilities	
Cash & cash equivalents	49	Liabilites arising from non-life insurance contracts	797
Financial investments and loans	731	Current and deferred tax liabilities	11
Reinsurance and other receivables	162	Accrued interest and other liabilities	49
Property, plant and equipment	6		
Accrued interest and other assets	117		
		Total liabilities	**857**
		Negative goodwill	63
		Cost Price	145
Total Assets	**1,065**	**Total liabilities and cost price**	**1,065**

Groupama generated a net result of EUR 3.4 million in 2012 (in the first nine months of 2013 a net result of EUR 13.7 million was recorded). No goodwill or intangibles were recognized on the transaction. The negative goodwill of EUR 63 million was recognised directly in the income statement as Other Income. The negative goodwill occurred because the acquisition price of Groupama was below the book value.

2.4 Disposals in 2012

2.4.1 Ageas Deutschland Lebensversicherung AG

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

3

OUTSTANDING SHARES AND EARNINGS PER SHARE

The following table shows the number of outstanding shares (restated for the effects of the reverse stock split of August 2012).

in thousands	Shares issued	Treasury shares	Shares outstanding
Number of shares as at 1 January 2012	**262,338**	**(21,709)**	**240,629**
Cancelled shares	(19,217)	19,217	
Balance (acquired)/sold		(8,798)	(8,798)
Number of shares as at 31 December 2012	**243,121**	**(11,290)**	**231,831**
Cancelled shares	(9,635)	9,635	
Balance (acquired)/sold		(3,968)	(3,968)
Number of shares as at 30 September 2013	**233,486**	**(5,623)**	**227,863**

Merger of ageas SA/NV and ageas N.V. and reverse stock split

The General Meetings of Shareholders of the Dutch ageas N.V. and of the Belgian ageas SA/NV held respectively on 28 and 29 June 2012 passed a resolution approving the merger of the two companies. A reverse stock split and reverse VVPR strip split were similarly approved.

On 3 August 2012, the Board of Directors of ageas SA/NV officially acknowledged the merger of ageas SA/NV and ageas N.V. As a result of this merger ageas SA/NV is from that date on the sole parent company of the Ageas group and has a permanent establishment in the Netherlands.

Simultaneously with the merger, Ageas carried out the reverse stock split and reverse VVPR Strip split. One new ageas SA/NV share has been issued on 3 August 2012 for every ten Ageas units, and each multiple of twenty Ageas VVPR Strips has been converted into one VVPR Strip. For comparison purposes, the comparative figures have been changed to take account of the reverse stock split.

Share buyback programme 2012

Ageas launched a programme to buy back its outstanding ordinary shares for a maximum amount of up to EUR 200 million as of 13 August 2012 for a period ending on 19 February 2013 at the latest. On 19 February 2013, the Board of Ageas decided to extend the programme until the full amount of EUR 200 million was reached. This was the case on 26 February 2013.

Between 13 August 2012 and 26 February 2013, Ageas bought back 9,635,159 shares for a total of EUR 200 million. This corresponded to 3.96% of the total shares outstanding.

On 24 April 2013, the General Meeting of Shareholders approved the cancellation of 9,165,454 shares. The extraordinairy shareholders' meeting in September 2013 approved the cancellation of the remaining shares (469,705) of the share buy back programme 2012.

Share buyback programme 2013

Ageas announced on 2 Augustus 2013 that, based on the shareholder authorisation granted at the end of April 2013, the Board of Directors decided to initiate a new share buy-back programme of its outstanding common stock for an amount of EUR 200 million.
Ageas started the share buy-back programme on 12 August 2013 up to 5 August 2014.
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. Since the start of the share buy-back programme until 30 Septemebr 2013, Ageas has bought back 1,060,843 shares for a total amount of EUR 32,572,421.

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 will take place on 13 December 2013.

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 (2013-2016) by the General Shareholders' meeting of 24 April 2013 to increase the share capital with a maximum amount of EUR 193,200,000 for general purposes. Applied to an accounting par value of EUR 8,40 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.

Ageas has issued options or instruments containing option features, which could, upon exercise, lead to an increase in the number of outstanding shares. Shares can also be issued due to the so-called alternative coupon settlement method (ACSM), included in certain hybrid financial instruments (for details see Note 26 Contingent liabilities).

The table below gives an overview of the shares issued and the potential number of shares as at 30 September.

in thousands	
Number of shares issued as at 30 September 2013	**233,486**
Shares that may be issued per Shareholders' meeting of 24 April 2013	23,000
Total potential number of shares as at 30 September 2013	**256,486**

Treasury shares

The total number of treasury shares (5.6 million) consists of shares held for the FRESH (4.0 million), the restricted share programme (0.5 million) and the remaining shares resulting from the buyback programme (1.1 million). Details of the FRESH securities are provided in Note 13.1.

The number of shares issued includes shares that related to the convertible instrument FRESH (4.0 million). The FRESH is a financial instrument that was issued in 2002 by Ageasfinlux SA. One of the features of this instrument is that it can only be redeemed through conversion into 4.0 million Ageas shares. Ageasfinlux SA has acquired all necessary Ageas shares to redeem the FRESH (consequently they are included in the number of Ageas shares outstanding). However, Ageasfinlux SA and Ageas have agreed that these shares will not receive dividend nor will they have voting rights as long as these shares are pledged to the FRESH. As Ageasfinlux SA is a subsidiary of Ageas, the shares related to the FRESH are treated as treasury shares and eliminated against shareholders' equity (see the section Earnings per share in this Note and Note 13 Subordinated liabilities).

In 2011, 2012 and 2013, Ageas created a restricted share programme for its senior management. Dependent on the relative performance of Ageas shares in relation to a peer group over the next three years and some additional conditions, the senior managers will be awarded, in total:

- between zero and 158,500 existing Ageas shares for free on 1 April 2014 (plan 2011);
- between zero and 119,600 existing Ageas shares for free on 1 April 2015;
- between zero and 167,000 existing Ageas shares for free on 1 April 2016.

In addition to these plans, the members of the Management Committee have been committed to grant 100,997 shares as a long-term incentive. Ageas decided to hedge these commitments by purchasing the maximum number of shares expected to be awarded under the plans.

CASHES and settlement with BNP Paribas Fortis SA/NV and BNP Paribas

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 26.2.2).

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.

On 7 February 2012, Ageas and BNP Paribas reached an agreement on a partial settlement of the RPN/RPN(I) (see Note 16 RPN(I)) and the full call of the Tier 1 instrument, issued by BNP Paribas Fortis SA/NV and for 95% held by Ageas (see Note 8 Loans).

Earnings per share

The following table details the calculation of earnings per share (the comparative figures have been adjusted for the reverse stock split) .

	First nine months 2013	First nine months 2012
Net result attributable to shareholders	512.7	518.4
Amortisation of costs of restricted shares	1.3	0.8
Net result used to determine diluted earnings per share	**514.0**	**519.2**
Weighted average number of ordinary shares for basic earnings per share (in thousands)	229,273	238,767
Adjustments for:		
- restricted shares (in thousands)	328	218
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	**229,601**	**238,985**
Basic earnings per share (in euro per share)	2.24	2.17
Diluted earnings per share (in euro per share)	2.24	2.17

In the first nine months of 2013, weighted average options on 2,064,018 shares (first nine months of 2012: 2,433,067) with a weighted average exercise price of EUR 20.83 per share (first nine months of 2012: EUR 19.97) 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, taking into account that after the reverse stock split 10 options need to be exercised to acquire one share.

During 2013 and 2012, 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 4.6 million (31 December 2012: 4.6 million) issued in relation to CASHES are included in the weighted average number of ordinary shares (see also Note 26 Contingent Liabilities).

4

SUPERVISION AND SOLVENCY

Ageas is an insurance holding and is subject to supervision by the National Bank of Belgium at consolidated level. The operating companies are subject to local supervision.

4.1 Ageas consolidated supervision

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

Based on the rules and regulations for Insurance Groups applicable in Belgium, Ageas reports on a quarterly basis to the NBB its available regulatory capital and required solvency. This prudential supervision includes quarterly verification that Ageas, on a consolidated basis, meets the solvency requirements.

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

	30 September 2013	31 December 2012
Share capital and reserves	6,890.8	7,040.9
Net result attributable to shareholders	512.7	743.0
Unrealised gains and losses	1,323.2	2,015.5
Shareholders' equity	8,726.7	9,799.4
Non-controlling interests	883.4	871.5
Total equity	9,610.1	10,670.9
Subordinated liabilities	1,931.9	2,915.5
Prudential filters		
Local required equalisation reserves for catastrophes	(208.3)	(174.3)
Revaluation of real estate, net of tax (at 90%)	755.4	761.2
Adjustment valuation of available for sale investments	(1,646.6)	(2,341.5)
Cash flow hedge	27.8	29.0
Goodwill	(869.9)	(892.8)
Other intangible assets	(349.5)	(371.0)
Expected dividend		(362.2)
Expected dividend, related to Call option BNP Paribas shares		(234.0)
Limitation subordinated debt to 50% of required solvency		(932.3)
Regulatory capital	**9,250.8**	**9,068.5**
Solvency ratio's		
Solvency requirements	4,099.5	3,966.4
Solvency excess	5,151.3	5,102.1
Solvency ratio	225.7%	228.6%

4.2 Ageas capital management

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

The General Account comprises the group functions, financing transactions, as well as the so-called legacy related issues. Ageas uses for the General Account the notion of 'net cash' as the indicator for the freely available capital at group level as long as it is lower then the available capital at group level.

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

Capital position Insurance.

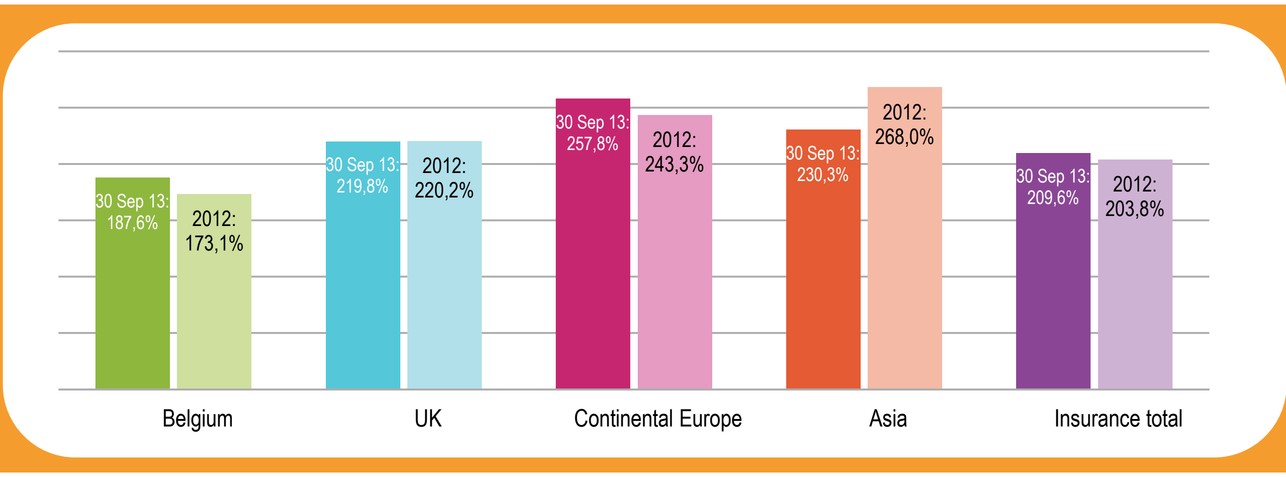
At 30 September 2013, the total available capital of the insurance operations stood at EUR 8.6 billion (31 December 2012: EUR 8.1 billion), 210% of the required minimum (31 December 2012: 204%).

30 September 2013	Belgium	UK	Continental Europe	Asia	Consolidation Adjustments	Insurance total	General (incl. elim)	Total Ageas
Total available capital	4,555.8	1,063.5	1,479.7	1,410.8	83.2	8,593.0	657.8	9,250.8
Minimum solvency requirements	2,428.8	483.9	574.1	612.7		4,099.5		4,099.5
Amount of total capital above minimum	2,127.0	579.6	905.6	798.1	83.2	4,493.5	657.8	5,151.3
Total solvency ratio	187.6%	219.8%	257.8%	230.3%		209.6%		225.7%

31 December 2012								
Total available capital	4,118.1	1,079.0	1,393.0	1,396.7	90.8	8,077.6	990.9	9,068.5
Minimum solvency requirements	2,379.6	489.9	572.6	521.1		3,963.2	3.2	3,966.4
Amount of total capital above minimum	1,738.5	589.1	820.4	875.6	90.8	4,114.4	987.7	5,102.1
Total solvency ratio	173.1%	220.2%	243.3%	268.0%		203.8%		228.6%

The expected dividend to be paid by Belgium (AG Insurance) is from 2013 onwards only taken into consideration in their Solvency calculation once the Board of Directors of Belgium has approved the dividend proposal. This approach is consistent with the NBB reporting and the solvency calculation within other segments.

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



Net cash position General Account

Based on the rules and regulations of the NBB the available regulatory capital of the General Account (including eliminations) amounted to EUR 0.7 billion at 30 September 2013 (31 December 2012: EUR 1.0 billion).

For a holding not only the available regulatory capital is relevant but also the financial flexibility to use this capital. Ageas therefore also monitors the Net Cash position.

The Net cash position consists of the available Cash and cash equivalents as well as short term investments that can be liquidated at short notice and limited cost, currently primarily bank deposits and netted for the debt securities that are due.

The net cash position stood per 30 September 2013 at EUR 2.0 billion and was positively impacted compared to year-end 2012 by:

- Ageas received EUR 827 million cash from RPI;
- Ageas received EUR 144 million related to sale of the BNP call option;
- Ageas received EUR 339 million dividend from subsidiaries and equity associates;
- Ageas paid EUR 99 million in relation to the share buyback programmes for 2012 and 2013;
- Ageas paid EUR 106 million for capital increases in and funding of subsidiaries and equity associates;
- Ageas paid EUR 63 million for the redemption of debt certificates;
- Ageas paid EUR 270 million dividend to its shareholders.

Ageas has announced a capital pay back to be executed in December related to the settlement of the BNP Option. This will require some EUR 224 million in cash (see also note 3 Outstanding shares and earnings per share). This amount is classified as Accrued interest and other liabilities.

	30 September 2013	31 December 2012
Cash and cash equivalents	840.0	402.4
Due from banks	1,264.5	1,000.0
Debt certificates	(123.1)	(186.8)
Net cash position	**1,981.4**	**1,215.6**

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 Mr. Ronny Brückner, who was until his decease in August 2013, a member of the Ageas Board of Directors. Under IFRS rules, transactions and commitments like this are regarded as a related party transaction and need as such to be disclosed.

Details of the transaction

In December 2011, AG Insurance issued DTH Partners LLC and NB 70 Pine LLC (joint and several borrowers), both real estate investment companies in the U.S., a convertible bridge loan of USD 70 million (EUR 53 million) to help finance the acquisition of a landmark building in New York City on 70 Pine Street in Manhattan. The loan had an original maturity of one year but was extended at year-end 2012. The interest rate on the loan was 12% while the loan benefited from a security package that featured (i) pledges over shares of the special purpose vehicle owning the building, (ii) guarantee agreements, (iii) pledges over receivables and (iv) options for AG Insurance to convert into entities holding residential rental properties in downtown Manhattan.

On 26 April 2013, the following agreements were finalised and closed:
- a DTH Operating Agreement between Westbridge Sarl and AG Real Estate Westinvest SA resulting in a capital contribution of USD 103 million (EUR 79 million) representing a 33% equity stake in DTH Partners LCC. This equity stake is included in the statement of financial position in the caption Investments in associates. At the close of Q3, the purchase accounting has not been completed since the valuation of the underlying buildings in New York at the moment of closing is not yet available. The final determination of goodwill/badwill is therefore not possible;
- 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.

Although these are unique circumstances, management considers the transaction to be concluded at arm's length.

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 2013	31 December 2012
Cash on hand	2.1	2.1
Due from banks	1,975.6	1,706.5
Other	196.3	741.3
Total cash and cash equivalents	**2,174.0**	**2,449.9**

7 FINANCIAL INVESTMENTS

The composition of Financial investments is as follows:

	30 September 2013	31 December 2012
Financial investments		
- Held to maturity	4,976.2	5,054.1
- Available for sale	56,929.8	57,409.9
- Held at fair value through profit or loss	313.0	262.5
- Derivatives held for trading	26.0	35.8
Total, gross	**62,245.0**	**62,762.3**
Impairments:		
- of investments available for sale	(182.4)	(190.5)
Total impairments	**(182.4)**	**(190.5)**
Total	**62,062.6**	**62,571.8**

7.1 Investments held to maturity

	Government bonds	Corporate debt securities	Total
Historical cost at recognition	4,729.4	163.9	4,893.3
Acquisition	125.7		125.7
Historical / amortised costs	**4,855.1**	**163.9**	**5,019.0**
Amortisation	29.3	5.8	35.1
Investments held to maturity at 31 December 2012	**4,884.4**	**169.7**	**5,054.1**
Maturities	(65.9)	(29.4)	(95.3)
Amortisation	14.0	3.4	17.4
Investments held to maturity at 30 September 2013	**4,832.5**	**143.7**	**4,976.2**
Fair value at 30 September 2013	**5,631.9**	**143.0**	**5,774.9**

In the following table the bonds that are classified as Held to maturity are detailed by country of origin as at 30 September.

30 September 2013	Historical/ amortised cost	Fair value
Belgian national government	4,363.1	5,091.1
Portuguese national government	469.4	540.8
Total	**4,832.5**	**5,631.9**
31 December 2012		
Belgian national government	4,367.8	5,510.6
Portuguese national government	516.6	606.7
Total	**4,884.4**	**6,117.3**

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 2013	Historical/ amortised cost	Gross unrealised gains	Gross unrealised losses	Total gross	Impairments	Fair value
Government bonds	26,896.6	2,305.7	(91.9)	29,110.4		29,110.4
Corporate debt securities	23,018.0	1,409.6	(134.3)	24,293.3		24,293.3
Structured credit instruments	297.0	13.9	(3.5)	307.4	(2.3)	305.1
Available for sale investments in debt securities	50,211.6	3,729.2	(229.7)	53,711.1	(2.3)	53,708.8
Private equities and venture capital	42.6	0.3		42.9		42.9
Equity securities	2,829.3	366.9	(25.4)	3,170.8	(180.1)	2,990.7
Other investments	5.0			5.0		5.0
Available for sale investments in equity securities and other investments	2,876.9	367.2	(25.4)	3,218.7	(180.1)	3,038.6
Total investments available for sale	**53,088.5**	**4,096.4**	**(255.1)**	**56,929.8**	**(182.4)**	**56,747.4**

31 December 2012						
Government bonds	26,530.9	3,412.0	(99.0)	29,843.9		29,843.9
Corporate debt securities	22,911.6	1,911.8	(72.1)	24,751.3		24,751.3
Structured credit instruments	259.0	15.7	(6.4)	268.3	(2.3)	266.0
Available for sale investments in debt securities	49,701.5	5,339.5	(177.5)	54,863.5	(2.3)	54,861.2
Private equities and venture capital	34.3	0.6		34.9		34.9
Equity securities	2,301.4	229.6	(23.6)	2,507.4	(188.2)	2,319.2
Other investments	4.1			4.1		4.1
Available for sale investments in equity securities and other investments	2,339.8	230.2	(23.6)	2,546.4	(188.2)	2,358.2
Total investments available for sale	**52,041.3**	**5,569.7**	**(201.1)**	**57,409.9**	**(190.5)**	**57,219.4**

An amount of EUR 1,171.1 million of the Investments available for sale has been pledged as collateral (2012: EUR 965.5 million).

The portfolio of the Investments available for sale can graphically be shown as follows at 30 September.

The valuation of Investments available for sale is based on:

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

The valuation is as follows:

30 September 2013	Level 1	Level 2	Level 3	Total
Government bonds	29,100.2		10.2	29,110.4
Corporate debt securities	23,405.0	839.9	48.4	24,293.3
Structured credit instruments	163.1	44.7	97.3	305.1
Equity securities, private equities and other investments	2,167.2	822.2	49.2	3,038.6
Total Investments AFS	**54,835.5**	**1,706.8**	**205.1**	**56,747.4**

31 December 2012	Level 1	Level 2	Level 3	Total
Government bonds	29,836.8	7.1		29,843.9
Corporate debt securities	23,994.9	756.4		24,751.3
Structured credit instruments	152.3	45.9	67.8	266.0
Equity securities, private equities and other investments	1,853.6	463.9	40.7	2,358.2
Total Investments AFS	**55,837.6**	**1,273.3**	**108.5**	**57,219.4**

The changes in level 3 valuation are as follows:

	30 September 2013	31 December 2012
Balance as at 1 January	**108.5**	**94.1**
Maturity/redemption or repayment	(22.2)	
Acquired	116.1	23.2
Proceeds from sales		(5.2)
Unrealised gains (losses)	2.7	(3.0)
Foreign exchange differences and other adjustments		(0.6)
Closing balance	**205.1**	**108.5**

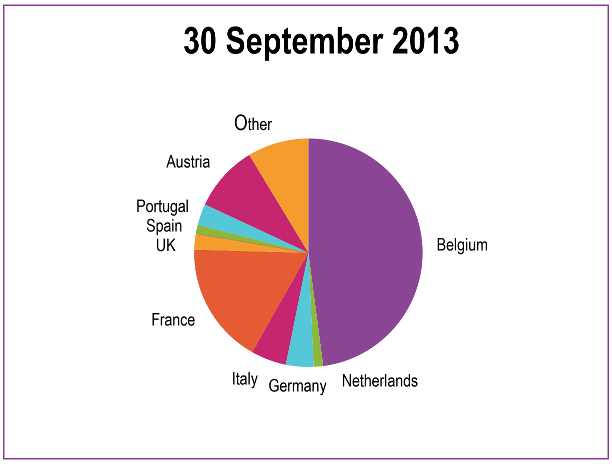
Government bonds detailed by country of origin

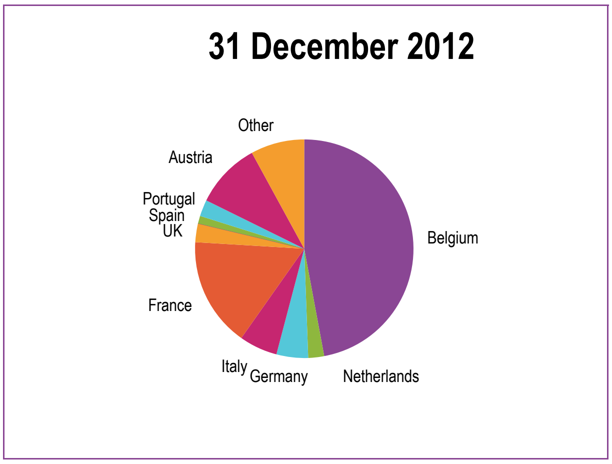
Government bonds detailed by country of origin as at 30 September are as follows:

30 September 2013	Historical/ amortised cost	Gross unrealised gains (losses)	Fair value
Belgian national government	12,845.9	1,106.6	13,952.5
Dutch national government	342.3	42.9	385.2
German national government	949.0	198.5	1,147.5
Italian national government	1,441.2	16.8	1,458.0
French national government	4,630.2	383.2	5,013.4
Great Britain national government	650.6	10.2	660.8
Spanish national government	357.4	7.6	365.0
Portuguese national government	907.9	(30.8)	877.1
Austrian national government	2,466.2	263.3	2,729.5
Finnish national government	201.1	21.1	222.2
Irish national government	530.0	35.8	565.8
Slovenian national government	49.1	(3.2)	45.9
Czech Republic national government	243.5	28.5	272.0
Slovakian national government	333.3	31.5	364.8
United States of America national government	282.5	40.5	323.0
Other national governments	666.4	61.3	727.7
Total	**26,896.6**	**2,213.8**	**29,110.4**

31 December 2012			
Belgian national government	12,274.3	1,773.4	14,047.7
Dutch national government	642.8	60.0	702.8
German national government	1,133.7	264.6	1,398.3
Italian national government	1,686.5	2.0	1,688.5
French national government	4,228.5	600.6	4,829.1
Great Britain national government	794.7	28.3	823.0
Spanish national government	366.6	(22.9)	343.7
Portuguese national government	753.0	(28.1)	724.9
Austrian national government	2,541.6	366.7	2,908.3
Finnish national government	224.9	33.4	258.3
Irish national government	408.8	22.4	431.2
Slovenian national government	69.8		69.8
Czech Republic national government	243.8	34.5	278.3
Slovakian national government	231.0	32.9	263.9
United States of America national government	297.1	83.0	380.1
Other national governments	633.8	62.2	696.0
Total	**26,530.9**	**3,313.0**	**29,843.9**

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 2013	31 December 2012
Available for sale investments in debt securities:		
Carrying amount	53,708.8	54,861.2
Gross unrealised gains and losses	3,499.5	5,162.0
- Related tax	(1,144.1)	(1,635.5)
Shadow accounting	(906.1)	(1,594.0)
- Related tax	286.8	510.9
Net unrealised gains and losses	**1,736.1**	**2,443.4**

	30 September 2013	31 December 2012
Available for sale investments in equity securities and other investments:		
Carrying amount	3,038.6	2,358.2
Gross unrealised gains and losses	341.8	206.6
- Related tax	(72.8)	(67.8)
Shadow accounting	(89.2)	(62.1)
- Related tax	28.6	20.2
Net unrealised gains and losses	**208.4**	**96.9**

Impairments of Investments available for sale

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

	30 September 2013	31 December 2012
Impairments of investments available for sale:		
- on debt securities	(2.3)	(2.3)
- on equity securities and other investments	(180.1)	(188.2)
Total impairments of investments available for sale	**(182.4)**	**(190.5)**

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

	30 September 2013	31 December 2012
Balance as at 1 January	**190.5**	**1,436.8**
Increase in impairments	16.3	97.6
Reversal on sale/disposal	(22.2)	(1,343.6)
Foreign exchange differences and other adjustments	(2.2)	(0.3)
Closing balance	**182.4**	**190.5**

The reversal on sale/disposal in 2012 mainly relates to the conversion of the Greek bond portfolio (EUR 1,278.9 million).

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 2013	31 December 2012
Corporate debt securities	234.6	191.7
Structured credit instruments	50.0	49.0
Debt securities	284.6	240.7
Equity securities	28.4	21.8
Equity securities and other investments	28.4	21.8
Total investments held at fair value through profit or loss	**313.0**	**262.5**

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

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

The valuation can be shown as follows.

30 September 2013	Level 1	Level 2	Level 3	Total
Corporate debt securities	28.6	201.0	5.0	234.6
Structured credit instruments			50.0	50.0
Equity securities		28.4		28.4
Total Investments held at fair value through profit or loss	**28.6**	**229.4**	**55.0**	**313.0**

31 December 2012	Level 1	Level 2	Level 3	Total
Corporate debt securities	21.0	170.7		191.7
Structured credit instruments			49.0	49.0
Equity securities		21.8		21.8
Total Investments held at fair value through profit or loss	**21.0**	**192.5**	**49.0**	**262.5**

The changes in level 3 valuation are as follows:

	30 September 2013	31 December 2012
Balance as at 1 January	**49.0**	**85.7**
Maturity/redemption or repayment of the period		(50.0)
Realised gains (losses)		0.6
Unrealised gains (losses)	1.0	12.7
Transfers between valuation categories	5.0	
Closing balance	**55.0**	**49.0**

7.4 Derivatives held for trading (assets)

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

	30 September 2013	31 December 2012
Over the counter (OTC)	25.7	35.8
Exchange traded	0.3	
Total derivatives held for trading (assets)	**26.0**	**35.8**

The Derivatives held for trading mainly relate to interest rate and equity options, interest rate swaps and currency forward contracts. Derivatives held for trading are in 2013 based on level 1 (quoted prices in active markets) and level 2 (observable market data in active markets), in 2012 the Derivatives held for trading were based on level 2. For the notional amounts and further details see also Note 27 Derivatives.

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 2013	31 December 2012
Investment property	3,313.9	3,307.2
Land and buildings held for own use	1,311.2	1,431.4
Total fair value	**4,625.1**	**4,738.6**
Carrying amount:		
Investment property	2,351.3	2,415.5
Land and buildings held for own use	969.8	1,010.0
Total carrying amount	**3,321.1**	**3,425.5**
Gross unrealised gain / loss	1,304.0	1,313.1
Taxation	(425.2)	(428.4)
Net unrealised gain / loss (not recognised in equity)	**878.8**	**884.7**

8 LOANS

The composition of Loans is as follows:

	30 September 2013	31 December 2012
Loans to banks	1,775.2	2,637.5
Loans to customers	4,157.1	3,667.5
Total	**5,932.3**	**6,305.0**
Less impairments:		
- specific credit risk	(17.8)	(15.6)
- incurred but not reported (IBNR)	(1.0)	(1.0)
Total loans	**5,913.5**	**6,288.4**

8.1 Loans to banks

Loans to banks consist of the following:

	30 September 2013	31 December 2012
Interest-bearing deposits	1,587.4	1,513.0
Subordinated loans		949.3
Other	187.8	175.2
Total	**1,775.2**	**2,637.5**
Less impairments:		
- specific credit risk	(0.6)	(1.1)
Loans to banks	**1,774.6**	**2,636.4**

The subordinated loans can be split in:

	30 September 2013	31 December 2012
Nitsh I (USD 750 million)		575.9
Nitsh II		373.4
Total subordinated loans		**949.3**

Nitsh I and II

In 2008, Ageas Hybrid Financing SA/NV (AHF) issued USD 750 million of securities called 'Nitsh I' at an interest rate of 8.25%.The proceeds from these securities were on-lent to BNP Paribas Fortis SA/NV. BNP Paribas Fortis SA/NV called the loan on its first call date on 27 August 2013.

The 8% Nitsh II securities, amounting to EUR 625 million, were also issued in 2008. The proceeds of these securities were partly on-lent to AG Insurance and partly to BNP Paribas Fortis SA/NV. Both parties called these on-loans at their first call date on 3 June 2013.

AHF in turn called the outstanding securities. The securities (see also Note 13 Subordinated Liabilities) and on-loans therefore ceased to exit.

8.2 Loans to customers

The composition of Loans to customers is as follows:

	30 September 2013	31 December 2012
Government and official institutions		0.3
Residential mortgage	1,541.6	1,528.6
Consumer loans	9.9	7.7
Commercial loans		
Real Estate	87.0	76.7
Infrastructure	110.4	63.9
Other	154.6	129.5
Policyholder loans	205.3	189.3
Other loans	2,048.3	1,671.5
Total	**4,157.1**	**3,667.5**
Less impairments:		
- specific credit risk	(17.2)	(14.5)
- incurred but not reported (IBNR)	(1.0)	(1.0)
Loans to customers	**4,138.9**	**3,652.0**

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.

Other loans consist mainly of:

- loans to bank (related) institutions (EUR 225 million; 31 December 2012: EUR 197 million);
- loans to financial services providers (EUR 324 million; 31 December 2012: EUR 345 million);
- loans to the European Union (EUR 123 million; 31 December 2012: EUR 126 million);
- loans to regional authorities/institutions in Belgium (EUR 1,334 million; 31 December 2012: EUR 990 million).

Ageas has granted credit lines for a total amount of EUR 286 million (31 December 2012: EUR 273 million).

During the third quarter 2012, Ageas announced a program to increase the diversification of its investment portfolio by investing in commercial loans, allocating up to 5% of its total invested assets into this category. Ageas believes commercial loans offer an interesting alternative investment opportunity in the current low-interest environment with the benefit of greater portfolio diversification and attractive risk-return profile.

The main part of this investment is to be realised through a partnership on Infrastructure loans with Natixis. The objective is to benefit from:

- an attractive risk adjusted return: infrastructure loans provide yield enhancement and diversification benefits compared to sovereign debt (an important part of Ageas' investment portfolio);
- a collateral based on pledges linked to underlying projects (e.g. buildings, motorways);
- an improved duration match: infrastructure loans have, by the nature of the projects they finance, long maturities, creating opportunities for the funding of long term liabilities traditionally associated with the insurers.

The agreement with Natixis has the following main characteristics:

- Natixis will be in charge of originating the loans and will retain a pre-agreed substantial percentage of each deal. Ageas will assume the remaining part;
- only new or very recently closed deals in selected sectors and countries will be eligible within the partnership;
- the scope of the partnership excludes Benelux where Ageas has direct access to infrastructure projects;
- the target amount of this loan portfolio is EUR 2 billion for Ageas;
- a period of two to three years is foreseen to reach the targeted investment amount;
- Natixis will ensure the administration of all loans in this portfolio.

9

INVESTMENTS IN ASSOCIATES

The main investments in associates consist of our share in our participations in Tai Ping Holdings, Mayban Ageas Holding, Muang Thai Group Holding, Cardiff Lux Vie, Aksigorta and DTH Partners LCC (see Notes 2 and 5).

As a result of the transactions closed on 12 May 2009, Ageas acquired, for the total sum of EUR 760 million, a 44.7% stake in Royal Park Investments (RPI), a special purpose vehicle that acquired part of the structured credit portfolio of BNP Paribas Fortis SA/NV. This stake has been accounted for using the equity method.

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

In April 2013, RPI sold its complete portfolio of structured credit instruments and realized a profit of some EUR 615 million on this transaction (EUR 275 million Ageas share). In the second quarter, the transaction was almost completely settled and the shareholders were paid EUR 1,650 million of their initial investment of EUR 1,700 million and a dividend of EUR 200 million. Ageas received in total EUR 827 million.

The net profit of RPI for the first nine months of 2013 amounted to EUR 616 million (Ageas's share EUR 276 million).

The net asset value of RPI at 30 September 2013 amounts to some EUR 540 million (EUR 241 million Ageas share). The main assets comprise EUR 262 million of securities to be settled, some EUR 202 million in cash and EUR 105 million other, more or less liquid, assets and liabilities of EUR 28 million which are almost all related to income tax payable.

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

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 BNP Paribas Fortis SA/NV. 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.

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 2013	31 December 2012
Liability for future policyholder benefits	25,282.9	24,866.7
Reserve for policyholder profit sharing	329.5	312.0
Shadow accounting	459.7	738.3
Before eliminations	**26,072.1**	**25,917.0**
Eliminations	(3.4)	(2.7)
Gross	**26,068.7**	**25,914.3**
Reinsurance	(172.3)	(145.4)
Net	**25,896.4**	**25,768.9**

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 2013	31 December 2012
Liability for future policyholder benefits	28,172.3	28,106.7
Reserve for policyholder profit sharing	155.4	176.9
Shadow accounting	464.2	817.1
Gross	**28,791.9**	**29,100.7**
Reinsurance		
Net	**28,791.9**	**29,100.7**

11.3 Liabilities related to unit-linked contracts

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

	30 September 2013	31 December 2012
Insurance contracts	1,748.6	1,625.7
Investment contracts	12,361.9	12,141.3
Total	**14,110.5**	**13,767.0**

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 2013	31 December 2012
Claims reserves	5,718.6	5,595.5
Unearned premiums	1,806.2	1,832.1
Reserve for policyholder profit sharing	9.1	7.9
Shadow accounting	71.5	100.8
Gross including eliminations	**7,605.4**	**7,536.3**
Reinsurance	(545.0)	(522.6)
Net	**7,060.4**	**7,013.7**

Some accident and health contracts (in particular Workmen's' Compensation) have a long-term nature and their liabilities are calculated with similar-to-life techniques. Due to the decreased interest rates an amount related to shadow accounting is accounted for.

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 2013	31 December 2012
Held at amortised cost	61.9	97.3
Held at fair value through profit or loss	61.2	89.5
Total debt certificates	**123.1**	**186.8**

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. Therefore the debt securities held at fair value through profit or loss are valued at minimal the nominal value. The nominal value of debt securities held at fair value through profit or loss was almost equal to the fair value as the debt certificated are directly callable. 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.

The decrease in the first nine months of 2013 is due to redemption.

13 SUBORDINATED LIABILITIES

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

	30 September 2013	31 December 2012
FRESH	1,250.0	1,250.0
- Hybrone	227.8	412.5
- Nitsh I		575.9
- Nitsh II		623.1
Ageas Hybrid Financing	227.8	1,611.5
Fixed Rate Reset Perpetual Subordinated Notes	401.4	
Other subordinated liabilities	52.7	54.0
Total subordinated liabilities	**1,931.9**	**2,915.5**

13.1 FRESH

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

The FRESH were issued by Ageasfinlux SA, with ageas SA/NV acting as co-obligor. The principal amount of the securities will not be repaid in cash. The sole recourse of the holders of the FRESH against the co-obligor with respect to the principal amount are the 4.0 million Ageas shares that Ageasfinlux SA pledged in favour of such holders. Pending the exchange of the FRESH against Ageas shares, these Ageas shares do not have any dividend rights or voting rights (the reported number of outstanding Ageas shares as at 30 September 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 up to the amount of interest due 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 are 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 Ageas Hybrid Financing

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 227.8 million per 30 September 2013. The remaining Hybrone securities have a first call date on 20 June 2016.

In 2008, AHF issued USD 750 million of securities called 'Nitsh I' at an interest rate of 8.25%.The proceeds from these securities were on-lent to BNP Paribas Fortis SA/NV. BNP Paribas Fortis SA/NV called the loan on its first call date (27 August 2013); AHF in turn called the Nitsh I securities at its first call date on 27 August 2013 as well.

The 8% Nitsh II securities, amounting to EUR 625 million, were also issued in 2008. The proceeds of these securities were partly on-lent to AG Insurance and partly to BNP Paribas Fortis. Both parties indicated to call these on-loans at their first call date on 3 June 2013; AHF in turn informed its bondholders on 21 March 2013 that it would also call its securities per 3 June 2013. At 30 June 2013, these securities therefore ceased to exist.

13.3 Fixed Rate Reset Perpetual Subordinated Notes

On 21 March 2013, AG Insurance issued USD 550 million Fixed Rate Reset Perpetual Subordinated Notes (the 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 Other subordinated liabilities

The EUR 52.7 million reported under other Subordinated liabilities at 30 September (31 December 2012: EUR 54.0 million) includes a perpetual subordinated loan in the amount of EUR 50 million issued by Tesco Underwriting and underwritten by Tesco Bank.

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BORROWINGS

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

	30 September 2013	31 December 2012
Due to banks	1,931.3	1,691.1
Due to customers	93.3	103.8
Other borrowings	341.0	173.1
Total borrowings	**2,365.6**	**1,968.0**

14.1 Due to banks

The table below shows the components of Due to banks.

	30 September 2013	31 December 2012
Deposits from banks:		
- Demand deposits	10.5	2.2
- Other deposits	33.0	42.2
Total deposits	**43.5**	**44.4**
Repurchase agreements	1,128.7	908.2
Other	759.1	738.5
Total due to banks	**1,931.3**	**1,691.1**

Ageas has pledged certain assets (i.e. investments and property, plant and equipment) with a carrying amount of EUR 1,631.2 million (31 December 2012: EUR 1,397.6 million) against Due to bank amounts.

14.2 Due to customers

The components of Due to customers are as follows:

	30 September 2013	31 December 2012
Deposits	0.7	0.6
Other borrowings	10.7	7.1
Funds held under reinsurance agreements	81.9	96.1
Total due to customers	**93.3**	**103.8**

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CURRENT AND DEFERRED TAX ASSETS AND LIABILITIES

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

	Statement of financial position		Income statement	
	30 September 2013	31 December 2012	First nine months 2013	First nine months 2012
Deferred tax assets related to:				
Financial investments (available for sale)	(8.1)	85.9	(91.8)	2.8
Investment property	15.2	11.6	3.6	(7.9)
Property, plant and equipment	22.2	47.1	(24.8)	(1.7)
Intangible assets (excluding goodwill)	5.8	6.2	(0.4)	(0.4)
Insurance policy and claim reserves	480.1	784.8	(89.0)	(4.2)
Provisions for				
pensions and post-retirement benefits	41.9	90.1	(0.6)	(0.3)
Other provisions	8.7	8.4	0.4	0.5
Accrued expenses and deferred income	0.3	1.5	(1.2)	(1.1)
Unused tax losses	136.0	140.2	(5.1)	(116.2)
RPN(I)	94.8	56.1	(38.7)	1.8
Other	51.1	71.2	29.2	(71.5)
Gross deferred tax assets	**848.0**	**1,303.1**	**(218.4)**	**(198.2)**
Unrecognised deferred tax assets	(92.3)	(91.1)	0.7	0.3
Net deferred tax assets	**755.7**	**1,212.0**	**(217.7)**	**(197.9)**
Deferred tax liabilities related to:				
Derivatives held for trading (assets)	0.1	0.5	0.4	1.8
Financial investments (available for sale)	1,160.2	1,726.3	91.8	(0.8)
Unit-linked investments	2.6	3.4	0.8	0.4
Investment property	74.0	122.2	35.1	2.4
Loans to customers	1.3	1.4	0.1	
Property, plant and equipment	169.4	178.9	9.5	11.7
Intangible assets (excluding goodwill)	125.5	130.4	4.9	7.2
Other provisions	2.8	2.8		(3.6)
Deferred policy acquisition costs	51.3	61.6	9.4	(5.4)
Deferred expense and accrued income	1.4	1.5		0.1
Tax exempt realised reserves	61.9	39.9	(22.0)	1.7
Call option BNP Paribas shares		79.5	79.5	57.4
Other	85.1	102.8	18.3	10.5
Total deferred tax liabilities	**1,735.6**	**2,451.2**	**227.8**	**83.4**
Deferred tax income (expense)			**10.1**	**(114.5)**
Net deferred tax	**(979.9)**	**(1,239.2)**		

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

	30 September 2013	31 December 2012
Deferred tax asset	92.1	171.7
Deferred tax liability	1,072.0	1,410.9
Net deferred tax	**(979.9)**	**(1,239.2)**

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RPN(I)

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

BNP Paribas Fortis SA/NV issued CASHES securities in 2007 with Ageas SA/NV as co-obligor. CASHES are convertible securities that convert in Ageas shares at a pre-set price of EUR 239.40 per share. BNP Paribas Fortis SA/NV and Ageas SA/NV, at that point in time both parts of the Fortis group, introduced a Relative Performance Note, designed to avoid accounting volatility on the Ageas shares and on the at fair value valued CASHES in the books of BNP Paribas Fortis. At the break up of Fortis in 2009, BNP Paribas Fortis 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 the EUR 3,000 million par issuance and the market value of the CASHES as quoted by the Luxembourg stock exchange, less
- the difference between EUR 2,350 million and the market value of 12.53 million Ageas shares in which the instrument converts, multiplied by
- the number of CASHES securities that remain outstanding (4,447/12,000=37,06%).

Quarterly interest payments amount to 3-month EURIBOR plus 20 basis points over the average reference amount in the quarter. If the reference amount is positive BNP Paribas Fortis SA/NV pays interest to Ageas; if it is negative, Ageas pays interest to BNP Paribas Fortis.

State guarantee

The Belgian state has issued a state guarantee on the RPN(I) interest paid by Ageas to the benefit of BNP Paribas Fortis SA/NV. Ageas pays the Belgian State a fee for this guarantee, amounting to 70 basis points per annum over the reference amount as calculated on each trading day. Ageas also granted the Belgium State a pledge on 14% of the shares of AG Insurance as recourse, in case Ageas would default on its interest payment.

Fair Value – settlement and transfer notion

Settlement notion

IAS 39 defined 'fair value' as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. Up to 30 June 2013 and following IAS 39, Ageas used this settlement notion to calculate the fair value of the RPN(I). For this settlement notion Ageas adopted a level 3 valuation model, based on valuation techniques for financial derivative instruments. Using these techniques, the value of the RPN(I) liability was estimated at EUR 171 million per 30 June 2013, respectively EUR 165 million at year end 2012.

Transfer notion

IFRS 13 has amended this definition. '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 and no longer refers to 'settlement' in the context of a financial liability, but rather to the price 'paid to transfer a liability'. Therefore, the fair value of a liability needs to be determined using a transfer notion. It needs to be based on quoted prices in a market for transfers of an identical or similar liability, when available. 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.

Shift in notion

Following the above mentioned change in IFRS and considering current market conditions, Ageas has reviewed the valuation approach relating to the RPN(I) liability. Analysing the exit modalities agreed with BNP Paribas in the 2012 partly settlement and considering the fact that BNP Paribas recognizes the reference amount as an asset, Ageas believes that the best estimate of an ‘exit price’ of the RPN(I) would equal the reference amount at the measurement date.

Result impact

The shift from settlement to transfer notion impacted the third quarter 2013 result with EUR 87 million, apart from the fact that the reference amount increased with EUR 20 million in the third quarter, from EUR 258 million to EUR 279 million. This increase of the reference amount during the third quarter was on the one hand due to a price movement of the CASHES from 56.17% to 59.29% and on the other hand due to an increase of the Ageas share price from EUR 26.98 to EUR 29.94.

Reference values

Ageas has used the following assumptions and reference values to determine the fair market value of the RPN(I):

	30 September 2013	31 December 2012
Ageas share price	EUR 29.94	EUR 22.22
CASHES value	59.29%	53.07%
Reference amount based on		
37% CASHES outstanding	EUR 279 million	EUR 246 million
Stochastic modelling value		
RPNI (settlement notion):		EUR 165 million
Assumptions used for stochastic modelling:		
Market consensus on dividend		3.6%
Share price volatility		26%
3-month Euribor rate		0.19%
Ageas perpetual senior credit spread		430 bps
BNP Paribas long term credit spread		85 bps

A significant assumption underlying the valuation is that Ageas assumes that the CASHES are tradable at current quoted market prices. In case the CASHES price would drop below 50%, Ageas will assess whether or not a liquidity adjustment would be appropriate to apply on top of the quoted market price.

Sensitivities

The reference amount is predominantly sensitive to price changes in the CASHES and to a minor extent sensitive for changes in the Ageas share price. If the CASHES price, expressed in a percentage of its par value, increases with 1%, the reference amount will increase with EUR 11.1 million, while an EUR 1.00 increase of the Ageas share price reduces the reference amount with EUR 4.65 million.

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PROVISIONS

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

Changes in provisions during the year are as follows:

	30 September 2013	31 December 2012
Balance as at 1 January	**69.1**	**2,403.4**
Acquisition and divestment of subsidiaries		5.0
Increase in provisions	0.8	26.7
Reversal of unused provisions		(2,362.5)
Utilised during the year	(16.2)	(3.5)
Foreign exchange differences	(0.2)	
Closing balance	**53.5**	**69.1**

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

- the owner of the EUR 2 billion claim on ABN AMRO related to the conversion of the MCS;
- the owner of the EUR 362 million claim on FCC/ABN AMRO related to FCC transaction;
- entitled to some EUR 885 million related to a capital guarantee included in the sales documentation (see Note 26 Contingent liabilities).

On 28 June 2012, ageas SA/NV and ageas N.V. ('Ageas'), ABN AMRO Group N.V. and ABN AMRO Bank N.V. ('ABN AMRO') settled the legal proceedings concerning ABN AMRO Capital Finance Ltd. (former Fortis Capital Company Ltd. 'FCC') and the Mandatory Convertible Securities ('MCS').

This settlement also brought to a close all outstanding disputes between the Dutch State and Ageas in relation to the equity transactions which resulted in the take-over of the Dutch activities of the former Fortis group by the Dutch State on 3 October 2008. NL Financial Investments, the majority shareholder of ABN AMRO, co-signed this agreement on behalf of the Dutch State. The settlement resulted in a one-off cash payment by ABN AMRO to Ageas of EUR 400 million on 29 June 2012. As a consequence of these transactions, the provision related to disputes with the Dutch state of EUR 2,362 million has been released.

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LIABILITY RELATED TO WRITTEN PUT OPTION ON AG INSURANCE SHARES HELD BY BNP PARIBAS FORTIS SA/NV

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

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

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

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

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

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

If the option is exercised in 2018, the liability will be settled by a cash payment of Ageas to 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.

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

Valuation

Ageas valued the liability at the discounted amount of the consideration expected to be paid on settlement until the first half year of 2012. The discounted amount was based on a level 3 valuation method based on:

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

However, in the third quarter of 2012 Ageas revisited the valuation method for the liability in consultation with an investment bank because it was considered that the movements in market multiples did not develop in line with the movements in book value.

Ageas concluded that it is more appropriate going forward to use the embedded value of the life business of AG Insurance and a discounted cash flow model for Non-life. The applied valuation method is based on the long term embedded value taking into account:

- 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 75% dividend pay-out;
- a discount rate of 10%.

Based on these assumptions the net present value of the liability is EUR 1,093 million as at 30 September (31 December 2012: EUR 997 million). The following sensitivities have been calculated:

Discount rate	+1% point	(1%) point
Value liability	1,052	1,136
Relative impact	(3.8%)	3.9%

Price to Embedded Value	+10%	(10%)
Value liability	1,177	1,016
Relative impact	7.7%	(7.0%)

Growth rate	+1% point	(1%) point
Value liability	1,135	1,054
Relative impact	3.8%	(3.6%)

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 2013	First nine months 2012
Gross inflow Life	4,774.8	4,850.1
Gross inflow Non-life	3,429.4	3,332.0
General and eliminations	(0.8)	(0.3)
Total gross inflow	**8,203.4**	**8,181.8**

	First nine months 2013	First nine months 2012
Net premiums Life	3,439.3	4,019.2
Net earned premiums Non-life	3,224.9	3,066.9
General and eliminations	(0.8)	(0.3)
Total net earned premiums	**6,663.4**	**7,085.8**

Life

The table below shows the details of Life premiums.

	First nine months 2013	First nine months 2012
Unit-linked insurance contracts		
Single written premiums	8.1	7.2
Periodic written premiums	64.0	65.8
Group business total	*72.1*	*73.0*
Single written premiums	48.2	26.6
Periodic written premiums	21.2	18.5
Individual business total	*69.4*	*45.1*
Total unit-linked insurance contracts	**141.5**	**118.1**
Non unit-linked insurance contracts		
Single written premiums	265.2	243.8
Periodic written premiums	567.3	571.9
Group business total	*832.5*	*815.7*
Single written premiums	309.3	517.5
Periodic written premiums	574.7	577.3
Individual business total	*884.0*	*1,094.8*
Total non unit-linked insurance contracts	**1,716.5**	**1,910.5**
Investment contracts with DPF		
Single written premiums	1,376.5	1,754.1
Periodic written premiums	275.4	303.2
Total investment contracts with DPF	**1,651.9**	**2,057.3**
Gross premium income Life insurance	**3,509.9**	**4,085.9**
Single written premiums	1,162.9	654.6
Periodic written premiums	102.0	109.6
Premium inflow deposit accounting	**1,264.9**	**764.2**
Total gross inflow Life	**4,774.8**	**4,850.1**

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

	First nine months 2013	First nine months 2012
Gross premium income Life	3,509.9	4,085.9
Ceded reinsurance premiums	(70.6)	(66.7)
Net premiums Life	**3,439.3**	**4,019.2**

Non-life

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

First nine months 2013	Accident & Health	Property & casualty	Total
Gross written premiums	639.9	2,789.5	3,429.4
Change in unearned premiums, gross	(20.3)	15.9	(4.4)
Gross earned premiums	**619.6**	**2,805.4**	**3,425.0**
Ceded reinsurance premiums	(23.9)	(179.0)	(202.9)
Reinsurers' share of unearned premiums	2.8		2.8
Net earned premiums Non-life insurance	**598.5**	**2,626.4**	**3,224.9**

First nine months 2012			
Gross written premiums	600.8	2,731.2	3,332.0
Change in unearned premiums, gross	(12.8)	(75.9)	(88.7)
Gross earned premiums	**588.0**	**2,655.3**	**3,243.3**
Ceded reinsurance premiums	(14.8)	(160.5)	(175.3)
Reinsurers' share of unearned premiums	(2.7)	1.6	(1.1)
Net earned premiums Non-life insurance	**570.5**	**2,496.4**	**3,066.9**

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

First nine months 2013	Accident & Health	Property & casualty	Total
Belgium	370.4	952.8	1,323.2
UK	59.4	1,543.6	1,603.0
Continental Europe	168.7	130.0	298.7
Net earned premiums Non-life insurance	**598.5**	**2,626.4**	**3,224.9**

First nine months 2012			
Belgium	361.8	907.1	1,268.9
UK	41.3	1,468.1	1,509.4
Continental Europe	167.4	121.2	288.6
Net earned premiums Non-life insurance	**570.5**	**2,496.4**	**3,066.9**

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INTEREST, DIVIDEND AND OTHER INVESTMENT INCOME

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

	First nine months 2013	First nine months 2012
Interest income		
Interest income on cash & cash equivalents	4.6	8.8
Interest income on loans to banks	59.4	111.1
Interest income on investments	1,581.9	1,581.3
Interest income on loans to customers	120.1	103.1
Interest income on derivatives held for trading	5.2	8.5
Other interest income	20.1	16.3
Total interest income	**1,791.3**	**1,829.1**
Dividend income from equity securities	68.0	55.5
Rental income from investment property	169.3	140.1
Revenues parking garage	212.6	205.1
Other investment income	33.6	51.2
Total interest, dividend and other investment income	**2,274.8**	**2,281.0**

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RESULT ON SALES *and* REVALUATIONS

Result on sales and revaluations are broken down as follows:

	First nine months 2013	First nine months 2012
Debt securities classified as available for sale	46.6	159.8
Equity securities classified as available for sale	54.6	23.0
Derivatives held for trading	(6.3)	(28.8)
Investment property	32.9	18.5
Capital gain (losses) on sale of shares of subsidiaries		(2.3)
Investments in associates	(0.1)	
Property, plant and equipment	0.1	0.2
Assets and liabilities held at fair value through profit or loss	3.8	24.3
Hedging results	0.4	
Other	13.6	131.2
Total result on sales and revaluations	**145.6**	**325.9**

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 line Other relates mainly to BNP Paribas Fortis SA/NV Tier 1 loan in 2012. In 2011, Ageas was required to redeem the bond holders at par value while the fair value was lower (loss EUR 189 million). In 2012, BNP Paribas Fortis SA/NV has called the loan at par and a gain of EUR 128.5 million was realized.

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INSURANCE CLAIMS AND BENEFITS

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

	First nine months 2013	First nine months 2012
Life insurance	4,177.7	4,752.3
Non-life insurance	2,106.8	2,091.8
General account and eliminations	(0.9)	(0.4)
Total insurance claims and benefits, net	**6,283.6**	**6,843.7**

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

	First nine months 2013	First nine months 2012
Benefits and surrenders, gross	3,714.4	3,496.0
Change in liabilities arising from insurance and investment contracts, gross	504.6	1,294.3
Total Life insurance claims and benefits, gross	**4,219.0**	**4,790.3**
Reinsurers' share of claims and benefits	(41.3)	(38.0)
Total Life insurance claims and benefits, net	**4,177.7**	**4,752.3**

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

	First nine months 2013	First nine months 2012
Claims paid, gross	2,036.0	1,853.9
Change in liabilities arising from insurance contracts, gross	154.9	289.9
Total Non-life insurance claims and benefits, gross	**2,190.9**	**2,143.8**
Reinsurers' share of change in liabilities	(25.8)	3.5
Reinsurers' share of claims paid	(58.3)	(55.5)
Total Non-life insurance claims and benefits, net	**2,106.8**	**2,091.8**

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FINANCING COSTS

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

	First nine months 2013	First nine months 2012
Financing costs		
Debt certificates	5.8	7.5
Subordinated liabilities	100.3	119.4
Borrowings - due to banks	20.2	27.6
Other borrowings	11.1	6.3
Derivatives	3.1	7.0
Other liabilities	42.7	27.7
Total financing costs	**183.2**	**195.5**

24

CHANGE IN IMPAIRMENTS

The Change in impairments is as follows:

	First nine months 2013	First nine months 2012
Change in impairments of:		
Investments in equity securities and other	16.3	88.9
Investment property	12.6	(0.6)
Loans to banks	(0.5)	
Loans to customers	2.4	4.9
Reinsurance and other receivables	0.7	1.6
Property, plant and equipment	1.9	(0.8)
Goodwill and other intangible assets	6.8	1.3
Accrued interest and other assets	5.9	
Total change in impairments	**46.1**	**95.3**

NOTES ON SEGMENT REPORTING

25

INFORMATION ON SEGMENTS

25.1 General information

Ageas has an organisational structure based on a lean Executive Committee (ExCo) 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 to EUR 3.9 billion. Some 68% of this income comes from Life insurance; the remainder from Non-life insurance. AG Insurance is also a 100% owner of AG Real Estate, which manages its real estate activities and has grown into the largest real estate group in Belgium.

AG Insurance targets private individuals as well as small, medium-sized and large companies. It offers its customers a comprehensive range of Life and Non-life insurance through various channels: more than 3,000 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 (the successful start-up of Tesco Underwriting, the partnership with Tesco Bank (49%) and the integration of the acquired business of Kwik-Fit Insurance Services) 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. The acquisition propels Ageas to fifth largest UK Non-life insurer (with a 5.2% market share); fourth largest Private Motor insurer (with a 11.7% market share); and fourth largest Personal lines insurer (with a 7.1% market share).

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 office 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, 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 the first nine months of 2013, about 78% of total inflows were Life related and 22% Non-life.

In Luxembourg, Ageas and BNP Paribas merged at the end of 2011 their respective Luxembourg Life operations into Cardif Luxembourg Vie, the second largest Luxembourg provider of Life insurance. Furthermore, since August 2011 Ageas has become the Non-life insurance partner of Sabanci in Turkey, acquiring a 31% stake in Aksigorta. In 2012 both Sabanci and Ageas have further increased their stakes in the company, each owning 36%.

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 2013	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total
Assets							
Cash and cash equivalents	524.6	332.2	399.8	77.4	840.0		2,174.0
Financial investments	49,271.3	3,342.3	7,698.8	1,686.8	74.6	(11.2)	62,062.6
Investment property	2,328.9		22.0	0.4			2,351.3
Loans	4,241.5	6.9	344.7	240.4	2,138.5	(1,058.5)	5,913.5
Investments related to unit-linked contracts	6,300.5		7,179.3	633.9		(70.6)	14,043.1
Investments in associates	256.5		256.0	827.3	258.3	7.2	1,605.3
Reinsurance and other receivables	814.9	1,006.3	213.2	66.4	3.5	(6.8)	2,097.5
Current tax assets	16.8	21.5	1.9				40.2
Deferred tax assets	19.0	39.3	33.8				92.1
Call option BNP Paribas shares							
Accrued interest and other assets	1,350.4	492.1	263.0	310.9	37.5	(19.0)	2,434.9
Property, plant and equipment	993.8	78.4	5.4	3.9	1.0		1,082.5
Goodwill and other intangible assets	344.7	261.5	447.8	380.1	0.1		1,434.2
Assets held for sale	238.4						238.4
Total assets	**66,701.3**	**5,580.5**	**16,865.7**	**4,227.5**	**3,353.5**	**(1,158.9)**	**95,569.6**
Liabilities							
Liabilities arising from Life insurance contracts	21,926.7	118.6	2,704.9	1,321.9		(3.4)	26,068.7
Liabilities arising from Life investment contracts	24,633.0		4,158.0	0.9			28,791.9
Liabilities related to unit-linked contracts	6,300.5		7,176.1	633.9			14,110.5
Liabilities arising from Non-life insurance contracts	3,526.5	3,370.7	708.2				7,605.4
Debt certificates					123.1		123.1
Subordinated liabilities	885.8	168.8	28.0		1,548.4	(699.1)	1,931.9
Borrowings	1,862.0	251.8	26.7	470.1	185.1	(430.1)	2,365.6
Current tax liabilities	32.2	11.9	8.9	9.4	0.4		62.8
Deferred tax liabilities	995.6	25.9	50.5				1,072.0
RPN(I)					279.0		279.0
Accrued interest and other liabilities	1,446.6	384.8	156.2	106.2	306.8	(24.8)	2,375.8
Provisions	15.8	12.8	12.1		12.8		53.5
Liability related to written put option on NCI					1,093.0		1,093.0
Liabilities related to assets held for sale	26.3						26.3
Total liabilities	**61,651.0**	**4,345.3**	**15,029.6**	**2,542.4**	**3,548.6**	**(1,157.4)**	**85,959.5**
Shareholders' equity	3,690.8	1,126.5	1,190.6	1,685.1	1,035.2	(1.5)	8,726.7
Non-controlling interests	1,359.5	108.7	645.5		(1,230.3)		883.4
Total equity	**5,050.3**	**1,235.2**	**1,836.1**	**1,685.1**	**(195.1)**	**(1.5)**	**9,610.1**
Total liabilities and equity	**66,701.3**	**5,580.5**	**16,865.7**	**4,227.5**	**3,353.5**	**(1,158.9)**	**95,569.6**
Number of employees	**6,103**	**5,396**	**1,072**	**410**	**116**		**13,097**

31 December 2012	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total [1)]
Assets							
Cash and cash equivalents	889.0	776.9	284.7	96.9	402.4		2,449.9
Financial investments	50,118.8	2,966.5	7,772.8	1,613.0	112.3	(11.6)	62,571.8
Investment property	2,391.6		23.5	0.4			2,415.5
Loans	3,748.3	56.8	485.4	125.1	3,130.9	(1,258.1)	6,288.4
Investments related to unit-linked contracts	6,035.2		7,166.2	566.7		(84.2)	13,683.9
Investments in associates	127.5		272.9	825.1	890.1	8.0	2,123.6
Reinsurance and other receivables	736.6	937.1	226.7	68.3	4.0	(4.7)	1,968.0
Current tax assets	1.0	8.4					9.4
Deferred tax assets	18.1	39.8	34.2		79.6		171.7
Call option BNP Paribas shares					234.0		234.0
Accrued interest and other assets	1,489.1	495.5	243.9	279.6	81.3	(33.0)	2,556.4
Property, plant and equipment	1,035.8	68.1	5.7	4.0	1.4		1,115.0
Goodwill and other intangible assets	364.9	268.1	465.0	400.0	0.1		1,498.1
Total assets	**66,955.9**	**5,617.2**	**16,981.0**	**3,979.1**	**4,936.1**	**(1,383.6)**	**97,085.7**
Liabilities							
Liabilities arising from Life insurance contracts	21,886.3	93.7	2,654.1	1,282.9		(2.7)	25,914.3
Liabilities arising from Life investment contracts	24,781.0		4,318.8	0.9			29,100.7
Liabilities related to unit-linked contracts	6,035.2		7,165.1	566.7			13,767.0
Liabilities arising from Non-life insurance contracts	3,405.7	3,435.5	695.1				7,536.3
Debt certificates					186.8		186.8
Subordinated liabilities	896.4	173.0	28.0		2,945.8	(1,127.7)	2,915.5
Borrowings	1,657.7	242.7	18.2	187.2	76.8	(214.6)	1,968.0
Current tax liabilities	20.0	18.0	83.5	7.2	0.4		129.1
Deferred tax liabilities	1,249.4	26.5	55.5		79.5		1,410.9
RPN(I)					165.0		165.0
Accrued interest and other liabilities	1,572.1	349.4	137.4	97.5	135.9	(37.2)	2,255.1
Provisions	23.5	15.6	12.6		17.4		69.1
Liability related to written put option on NCI					997.0		997.0
Total liabilities	**61,527.3**	**4,354.4**	**15,168.3**	**2,142.4**	**4,604.6**	**(1,382.2)**	**86,414.8**
Shareholders' equity	3,974.0	1,148.5	1,185.3	1,836.7	1,656.3	(1.4)	9,799.4
Non-controlling interests	1,454.6	114.3	627.4		(1,324.8)		871.5
Total equity	**5,428.6**	**1,262.8**	**1,812.7**	**1,836.7**	**331.5**	**(1.4)**	**10,670.9**
Total liabilities and equity	**66,955.9**	**5,617.2**	**16,981.0**	**3,979.1**	**4,936.1**	**(1,383.6)**	**97,085.7**
Number of employees	**5,970**	**5,782**	**1,085**	**389**	**109**		**13,335**

1) *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. The comparative figures 2012 have been restated accordingly.*

25.8 Income statement by operating segment

First nine months 2013	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total
Income							
- *Gross premium income* [1)]	*3,986.2*	*1,748.3*	*990.4*	*214.4*		*(0.8)*	*6,938.5*
- *Change in unearned premiums*	*(55.2)*	*46.4*	*4.4*				*(4.4)*
- *Ceded earned premiums*	*(51.1)*	*(137.8)*	*(61.8)*	*(20.0)*			*(270.7)*
Net earned premiums	3,879.9	1,656.9	933.0	194.4		(0.8)	6,663.4
Interest, dividend and other investment income	1,862.9	78.1	208.1	73.1	96.5	(43.9)	2,274.8
(Un)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	12.6	23.8	2.0	(5.5)		145.6
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)		27.4	92.7	271.0	(0.7)	389.3
Fee and commission income	72.6	79.9	96.6	45.8			*294.9*
Other income	93.3	60.1	1.3	1.8	2.9	(12.6)	146.8
Total income	**6,253.1**	**1,887.6**	**1,697.3**	**407.5**	**160.9**	**(58.2)**	**10,348.2**
Expenses							
- *Insurance claims and benefits, gross*	*(4,143.7)*	*(1,166.4)*	*(923.5)*	*(176.3)*		*0.9*	*(6,409.0)*
- *Insurance claims and benefits, ceded*	*16.1*	*83.2*	*20.0*	*6.1*			*125.4*
Insurance claims and benefits, net	(4,127.6)	(1,083.2)	(903.5)	(170.2)		0.9	(6,283.6)
Charges related to unit-linked contracts	(244.7)		(404.9)	(4.1)			(653.7)
Financing costs	(74.1)	(24.6)	(1.6)	(27.3)	(99.5)	43.9	(183.2)
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)	(325.4)	(101.3)	(79.1)	(0.1)		(974.8)
Staff expenses	(353.4)	(178.6)	(53.9)	(23.8)	(13.6)	0.7	(622.6)
Other expenses	(470.7)	(166.5)	(88.7)	1.4	(32.0)	11.9	(744.6)
Total expenses	**(5,784.6)**	**(1,778.1)**	**(1,554.9)**	**(303.7)**	**(145.3)**	**58.1**	**(9,508.5)**
Result before taxation	**468.5**	**109.5**	**142.4**	**103.8**	**15.6**	**(0.1)**	**839.7**
Tax income (expenses)	(135.5)	(18.0)	(38.9)	(2.5)	(0.2)		(195.1)
Net result for the period	**333.0**	**91.5**	**103.5**	**101.3**	**15.4**	**(0.1)**	**644.6**
Attributable to non-controlling interests	86.0	5.0	40.9				131.9
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	1,882.3	1,697.1	403.2	123.6		10,348.2
Total income internal	11.1	5.3	0.2	4.3	37.3	(58.2)	
Total income	**6,253.1**	**1,887.6**	**1,697.3**	**407.5**	**160.9**	**(58.2)**	**10,348.2**
Non-cash expenses (excl. depreciation & amortisation)	(86.2)		(115.8)	(3.6)			(205.6)

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 2013	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total
Gross premium income	3,986.2	1,748.3	990.4	214.4		(0.8)	6,938.5
Inflow deposit accounting	435.6		702.6	126.7			1,264.9
Gross inflow	**4,421.8**	**1,748.3**	**1,693.0**	**341.1**		**(0.8)**	**8,203.4**

First nine months 2012	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total
Income							
- *Gross premium income* [1)]	*4,764.5*	*1,696.7*	*751.0*	*205.7*		*(0.3)*	*7,417.6*
- *Change in unearned premiums*	*(54.9)*	*(35.6)*	*1.8*				*(88.7)*
- *Ceded earned premiums*	*(41.7)*	*(108.4)*	*(71.4)*	*(21.6)*			*(243.1)*
Net earned premiums	4,667.9	1,552.7	681.4	184.1		(0.3)	7,085.8
Interest, dividend and other investment income	1,830.5	54.1	219.4	60.6	168.7	(52.3)	2,281.0
(Un)realised gain (loss) on Call option BNP Paribas shares					(221.0)		(221.0)
Unrealised gain (loss) on RPN(I) (incl. settlement on RPN(I)/CASHES)					(268.1)		(268.1)
Result on sales and revaluations	174.4	26.6	8.3	(6.3)	122.9		325.9
Income related to investments for unit-linked contracts	479.4		1,050.6	32.5			1,562.5
Share of result of associates	(2.2)		8.3	90.1	84.7	(0.5)	180.4
Fee and commission income	74.9	101.8	93.1	28.9			298.7
Other income	120.1	79.3	5.6	2.1	2.8	(11.9)	198.0
Total income	**7,345.0**	**1,814.5**	**2,066.7**	**392.0**	**(110.0)**	**(65.0)**	**11,443.2**
Expenses							
- *Insurance claims and benefits, gross*	*(4,948.3)*	*(1,141.2)*	*(682.8)*	*(161.8)*		*0.4*	*(6,933.7)*
- *Insurance claims and benefits, ceded*	*7.3*	*45.3*	*26.1*	*11.3*			*90.0*
Insurance claims and benefits, net	(4,941.0)	(1,095.9)	(656.7)	(150.5)		0.4	(6,843.7)
Charges related to unit-linked contracts	(496.2)		(1,022.2)	(37.0)			(1,555.4)
Financing costs	(77.0)	(10.2)	(3.1)	(16.2)	(141.2)	52.2	(195.5)
Change in impairments	(92.2)		(3.4)	(0.2)		0.5	(95.3)
Change in provisions	(0.2)	0.7	0.3		1.3		2.1
- *Impairment claims on ABN AMRO*					*(1,962.5)*		*(1,962.5)*
- *Release provision MCS conversion and Dutch State issues*					*2,362.5*		*2,362.5*
Total impact settlement ABN AMRO					400.0		400.0
Fee and commission expenses	(467.3)	(292.6)	(100.7)	(67.5)	(0.5)		(928.6)
Staff expenses	(336.5)	(169.0)	(51.0)	(22.2)	(11.8)	(0.1)	(590.6)
Other expenses	(481.3)	(116.1)	(84.2)	2.7	(40.1)	11.8	(707.2)
Total expenses	**(6,891.7)**	**(1,683.1)**	**(1,921.0)**	**(290.9)**	**207.7**	**64.8**	**(10,514.2)**
Result before taxation	**453.3**	**131.4**	**145.7**	**101.1**	**97.7**	**(0.2)**	**929.0**
Tax income (expenses)	(161.1)	(32.2)	(47.6)	(2.5)	(28.6)		(272.0)
Net result for the period	**292.2**	**99.2**	**98.1**	**98.6**	**69.1**	**(0.2)**	**657.0**
Attributable to non-controlling interests	76.0	13.3	49.3				138.6
Net result attributable to shareholders	**216.2**	**85.9**	**48.8**	**98.6**	**69.1**	**(0.2)**	**518.4**
Total income from external customers	7,334.9	1,814.5	2,066.7	388.9	(161.8)		11,443.2
Total income internal	10.1			3.1	51.8	(65.0)	
Total income	**7,345.0**	**1,814.5**	**2,066.7**	**392.0**	**(110.0)**	**(65.0)**	**11,443.2**
Non-cash expenses (excl. depreciation & amortisation)	(141.3)		(87.4)	(0.4)			(229.1)

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 2012	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total
Gross premium income	4,764.5	1,696.7	751.0	205.7		(0.3)	7,417.6
Inflow deposit accounting	271.6		385.2	107.4			764.2
Gross inflow	**5,036.1**	**1,696.7**	**1,136.2**	**313.1**		**(0.3)**	**8,181.8**

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

30 September 2013	Life	Non-life	Other Insurance	General Account	Eliminations	Total
Assets						
Cash and cash equivalents	811.3	469.2	53.5	840.0		2,174.0
Financial investments	54,697.6	7,300.8	0.8	74.6	(11.2)	62,062.6
Investment property	2,135.0	216.3				2,351.3
Loans	4,525.8	307.7	128.9	2,138.5	(1,187.4)	5,913.5
Investments related to unit-linked contracts	14,113.7				(70.6)	14,043.1
Investments in associates	1,048.8	291.0		258.3	7.2	1,605.3
Reinsurance and other receivables	725.2	1,223.7	260.8	3.5	(115.7)	2,097.5
Current tax assets	14.8	22.6	2.8			40.2
Deferred tax assets	31.2	54.9	6.0			92.1
Call option BNP Paribas shares						
Accrued interest and other assets	1,731.7	672.6	14.7	37.5	(21.6)	2,434.9
Property, plant and equipment	904.7	160.7	16.1	1.0		1,082.5
Goodwill and other intangible assets	1,026.5	156.1	251.5	0.1		1,434.2
Assets held for sale	212.5	25.9				238.4
Total assets	**81,978.8**	**10,901.5**	**735.1**	**3,353.5**	**(1,399.3)**	**95,569.6**
Liabilities						
Liabilities arising from Life insurance contracts	26,072.1				(3.4)	26,068.7
Liabilities arising from Life investment contracts	28,791.9					28,791.9
Liabilities related to unit-linked contracts	14,110.5					14,110.5
Liabilities arising from Non-life insurance contracts		7,605.4				7,605.4
Debt certificates				123.1		123.1
Subordinated liabilities	837.4	254.9	119.1	1,548.4	(827.9)	1,931.9
Borrowings	2,195.9	191.4	223.3	185.1	(430.1)	2,365.6
Current tax liabilities	40.5	18.5	3.4	0.4		62.8
Deferred tax liabilities	946.6	125.4				1,072.0
RPN(I)				279.0		279.0
Accrued interest and other liabilities	1,381.3	669.4	154.7	306.8	(136.4)	2,375.8
Provisions	16.5	24.1	0.1	12.8		53.5
Liability related to written put option on NCI				1,093.0		1,093.0
Liabilities related to assets held for sale	24.1	2.2				26.3
Total liabilities	**74,416.8**	**8,891.3**	**500.6**	**3,548.6**	**(1,397.8)**	**85,959.5**
Shareholders' equity	5,889.1	1,569.4	234.5	1,035.2	(1.5)	8,726.7
Non-controlling interests	1,672.9	440.8		(1,230.3)		883.4
Total equity	**7,562.0**	**2,010.2**	**234.5**	**(195.1)**	**(1.5)**	**9,610.1**
Total liabilities and equity	**81,978.8**	**10,901.5**	**735.1**	**3,353.5**	**(1,399.3)**	**95,569.6**
Number of employees	**5,063**	**5,402**	**2,516**	**116**		**13,097**

31 December 2012	Life	Non-life	Other Insurance	General Account	Eliminations	Total 1)
Assets						
Cash and cash equivalents	1,170.8	832.5	44.2	402.4		2,449.9
Financial investments	55,466.9	7,003.4	0.8	112.3	(11.6)	62,571.8
Investment property	2,197.6	217.9				2,415.5
Loans	4,101.2	314.4	132.0	3,130.9	(1,390.1)	6,288.4
Investments related to unit-linked contracts	13,768.1				(84.2)	13,683.9
Investments in associates	938.9	286.6		890.1	8.0	2,123.6
Reinsurance and other receivables	630.8	1,149.8	281.3	4.0	(97.9)	1,968.0
Current tax assets	5.5	1.6	2.3			9.4
Deferred tax assets	33.2	55.6	3.3	79.6		171.7
Call option BNP Paribas shares				234.0		234.0
Accrued interest and other assets	1,996.9	479.2	34.8	81.3	(35.8)	2,556.4
Property, plant and equipment	953.0	143.8	16.8	1.4		1,115.0
Goodwill and other intangible assets	1,084.4	155.9	257.7	0.1		1,498.1
Total assets	**82,347.3**	**10,640.7**	**773.2**	**4,936.1**	**(1,611.6)**	**97,085.7**
Liabilities						
Liabilities arising from Life insurance contracts	25,917.0				(2.7)	25,914.3
Liabilities arising from Life investment contracts	29,100.7					29,100.7
Liabilities related to unit-linked contracts	13,767.0					13,767.0
Liabilities arising from Non-life insurance contracts		7,536.3				7,536.3
Debt certificates				186.8		186.8
Subordinated liabilities	854.3	253.1	122.0	2,945.8	(1,259.7)	2,915.5
Borrowings	1,710.2	163.4	232.2	76.8	(214.6)	1,968.0
Current tax liabilities	90.7	32.3	5.7	0.4		129.1
Deferred tax liabilities	1,235.0	96.4		79.5		1,410.9
RPN(I)				165.0		165.0
Accrued interest and other liabilities	1,356.4	733.1	162.9	135.9	(133.2)	2,255.1
Provisions	21.8	29.7	0.2	17.4		69.1
Liability related to written put option on NCI				997.0		997.0
Total liabilities	**74,053.1**	**8,844.3**	**523.0**	**4,604.6**	**(1,610.2)**	**86,414.8**
Shareholders' equity	6,492.5	1,401.8	250.2	1,656.3	(1.4)	9,799.4
Non-controlling interests	1,801.7	394.6		(1,324.8)		871.5
Total equity	**8,294.2**	**1,796.4**	**250.2**	**331.5**	**(1.4)**	**10,670.9**
Total liabilities and equity	**82,347.3**	**10,640.7**	**773.2**	**4,936.1**	**(1,611.6)**	**97,085.7**
Number of employees	**4,964**	**5,516**	**2,746**	**109**		**13,335**

1) *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. The comparative figures for 2012 have been restated accordingly.*

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

First nine months 2013	Life	Non-life	Other Insurance	General Account	Eliminations	Total
Income						
- *Gross premium income* [1]	*3,509.9*	*3,429.4*			*(0.8)*	*6,938.5*
- *Change in unearned premiums*		*(4.4)*				*(4.4)*
- *Ceded earned premiums*	*(70.6)*	*(200.1)*				*(270.7)*
Net earned premiums	3,439.3	3,224.9			(0.8)	6,663.4
Interest, dividend and other investment income	2,003.0	232.7	(9.3)	96.5	(48.1)	2,274.8
(Un)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	31.2		(5.5)		145.6
Income related to investments for unit-linked contracts	637.6				(0.2)	637.4
Share of result of associates	84.4	34.6		271.0	(0.7)	389.3
Fee and commission income	200.5	17.3	114.5		(37.4)	294.9
Other income	61.7	47.5	61.8	2.9	(27.1)	146.8
Total income	**6,546.4**	**3,588.2**	**167.0**	**160.9**	**(114.3)**	**10,348.2**
Expenses						
- *Insurance claims and benefits, gross*	*(4,219.0)*	*(2,190.9)*			*0.9*	*(6,409.0)*
- *Insurance claims and benefits, ceded*	*41.3*	*84.1*				*125.4*
Insurance claims and benefits, net	(4,177.7)	(2,106.8)			0.9	(6,283.6)
Charges related to unit-linked contracts	(653.7)					(653.7)
Financing costs	(95.8)	(26.8)	(9.3)	(99.5)	48.2	(183.2)
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)	(638.2)	(3.3)	(0.1)	37.3	(974.8)
Staff expenses	(286.8)	(250.7)	(72.2)	(13.6)	0.7	(622.6)
Other expenses	(388.3)	(279.3)	(71.4)	(32.0)	26.4	(744.6)
Total expenses	**(6,013.1)**	**(3,308.1)**	**(156.2)**	**(145.3)**	**114.2**	**(9,508.5)**
Result before taxation	**533.3**	**280.1**	**10.8**	**15.6**	**(0.1)**	**839.7**
Tax income (expenses)	(127.3)	(68.5)	0.9	(0.2)		(195.1)
Net result for the period	**406.0**	**211.6**	**11.7**	**15.4**	**(0.1)**	**644.6**
Attributable to non-controlling interests	94.7	37.2				131.9
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	3,584.8	77.3	167.2		10,348.2
Total income internal	27.5	3.4	89.7	(6.3)	(114.3)	
Total income	**6,546.4**	**3,588.2**	**167.0**	**160.9**	**(114.3)**	**10,348.2**
Non-cash expenses (excl. depreciation & amortisation)	(196.6)	(9.0)				(205.6)

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 2013	Life	Non-life	Other Insurance	General Account	Eliminations	Total
Gross premium income	3,509.9	3,429.4			(0.8)	6,938.5
Inflow deposit accounting	1,264.9					1,264.9
Gross inflow	**4,774.8**	**3,429.4**			**(0.8)**	**8,203.4**

First nine months 2012	Life	Non-life	Other Insurance	General Account	Eliminations	Total
Income						
- *Gross premium income* [1)]	*4,085.9*	*3,332.0*			*(0.3)*	*7,417.6*
- *Change in unearned premiums*		*(88.7)*				*(88.7)*
- *Ceded earned premiums*	*(66.7)*	*(176.4)*				*(243.1)*
Net earned premiums	4,019.2	3,066.9			(0.3)	7,085.8
Interest, dividend and other investment income	1,974.2	203.4	(9.4)	168.7	(55.9)	2,281.0
(Un)realised gain (loss) on Call option BNP Paribas shares				(221.0)		(221.0)
Unrealised gain (loss) on RPN(I) (incl. settlement on RPN(I)/CASHES)				(268.1)		(268.1)
Result on sales and revaluations	144.9	58.1		122.9		325.9
Income related to investments for unit-linked contracts	1,562.5					1,562.5
Share of result of associates	85.5	10.7		84.7	(0.5)	180.4
Fee and commission income	181.5	20.4	136.4		(39.6)	298.7
Other income	79.8	70.4	72.2	2.8	(27.2)	198.0
Total income	**8,047.6**	**3,429.9**	**199.2**	**(110.0)**	**(123.5)**	**11,443.2**
Expenses						
- *Insurance claims and benefits, gross*	*(4,790.3)*	*(2,143.8)*			*0.4*	*(6,933.7)*
- *Insurance claims and benefits, ceded*	*38.0*	*52.0*				*90.0*
Insurance claims and benefits, net	(4,752.3)	(2,091.8)			0.4	(6,843.7)
Charges related to unit-linked contracts	(1,555.4)					(1,555.4)
Financing costs	(87.5)	(14.1)	(8.5)	(141.2)	55.8	(195.5)
Change in impairments	(87.8)	(8.0)			0.5	(95.3)
Change in provisions	1.1	(0.3)		1.3		2.1
- *Impairment claims on ABN AMRO*				*(1,962.5)*		*(1,962.5)*
- *Release provision MCS conversion and Dutch State issues*				*2,362.5*		*2,362.5*
Total impact settlement ABN AMRO				400.0		400.0
Fee and commission expenses	(377.1)	(590.6)		(0.5)	39.6	(928.6)
Staff expenses	(271.7)	(226.1)	(80.9)	(11.8)	(0.1)	(590.6)
Other expenses	(375.4)	(227.0)	(91.8)	(40.1)	27.1	(707.2)
Total expenses	**(7,506.1)**	**(3,157.9)**	**(181.2)**	**207.7**	**123.3**	**(10,514.2)**
Result before taxation	**541.5**	**272.0**	**18.0**	**97.7**	**(0.2)**	**929.0**
Tax income (expenses)	(158.4)	(80.0)	(5.0)	(28.6)		(272.0)
Net result for the period	**383.1**	**192.0**	**13.0**	**69.1**	**(0.2)**	**657.0**
Attributable to non-controlling interests	89.8	48.8				138.6
Net result attributable to shareholders	**293.3**	**143.2**	**13.0**	**69.1**	**(0.2)**	**518.4**
Total income from external customers	8,022.7	3,426.8	86.3	(92.6)		11,443.2
Total income internal	24.9	3.1	112.9	(17.4)	(123.5)	
Total income	**8,047.6**	**3,429.9**	**199.2**	**(110.0)**	**(123.5)**	**11,443.2**
Non-cash expenses (excl. depreciation & amortisation)	(202.6)	(26.5)				(229.1)

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 2012	Life	Non-life	Other Insurance	General Account	Eliminations	Total
Gross premium income	4,085.9	3,332.0			(0.3)	7,417.6
Inflow deposit accounting	764.2					764.2
Gross inflow	**4,850.1**	**3,332.0**			**(0.3)**	**8,181.8**

25.11 Operating result insurance

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

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

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 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	1,669.4	334.6				3,429.4
Operating costs	(371.1)	(192.6)	(113.3)	(33.3)			(710.3)
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	46.4	2.5				68.9
- *Fire and other damage to property*	40.1	53.4	(0.3)				93.2
- *Other*	(0.1)	5.9	4.4				10.2
Non-life operating result	107.4	99.8	28.4				235.6
Operating result	**416.7**	**96.5**	**106.3**	**20.4**			**639.9**
Share of result of associates non allocated			27.3	94.7	271.0		393.0
Other result, including brokerage	51.8	13.0	8.8	(11.3)	(255.4)	(0.1)	(193.2)
Result before taxation	**468.5**	**109.5**	**142.4**	**103.8**	**15.6**	**(0.1)**	**839.7**
Key performance indicators							
Expense ratio	36.8%	30.8%	29.5%				33.2%
Claims ratio	60.8%	67.4%	65.0%				64.4%
Combined ratio	97.6%	98.2%	94.5%				97.6%
Life cost ratio in % of Life technical liabilities (annualised)	0.37%	29.78%	0.53%	2.30%			0.50%
Technical Insurance liabilities	56,386.7	3,489.3	14,747.2	1,956.7		(3.4)	76,576.5

First nine months 2012	Belgium	UK	Continental Europe	Asia	General Account	Eliminations	Total Ageas
Gross inflow Life	3,674.1	61.1	801.8	313.1		(0.3)	4,849.8
Gross inflow Non-life	1,362.0	1,635.6	334.4				3,332.0
Operating costs	(356.5)	(162.0)	(108.9)	(33.4)			(660.8)
Life operating result	288.2	(1.3)	83.1	26.7			396.7
- *Accident & Health*	*45.5*	*(1.3)*	*26.4*				*70.6*
- *Motor*	*27.7*	*97.7*	*9.4*				*134.8*
- *Fire and other damage to property*	*24.6*	*4.0*	*3.1*				*31.7*
- *Other*	*0.2*	*(0.3)*	*3.3*				*3.2*
Non-life operating result	98.0	100.1	42.2				240.3
Operating result	**386.2**	**98.8**	**125.3**	**26.7**			**637.0**
Share of result of associates non allocated			8.1	90.1	84.8		183.0
Other result, including brokerage	67.1	32.6	12.3	(15.7)	12.9	(0.2)	109.0
Result before taxation	**453.3**	**131.4**	**145.7**	**101.1**	**97.7**	**(0.2)**	**929.0**
Key performance indicators							
Expense ratio	36.6%	26.1%	27.3%				30.6%
Claims ratio	62.2%	72.5%	62.6%				67.3%
Combined ratio	98.8%	98.6%	89.9%				97.9%
Life cost ratio in % of Life technical liabilities (annualised)	0.37%		0.51%	2.62%			0.51%
Technical Insurance liabilities	55,167.1	2,735.6	14,816.7	1,785.4		(3.1)	74,501.7

Claims ratio : the cost of claims, net of reinsurance, as a percentage of net earned premiums, excluding the internal costs of handling claims. It also excludes the unwind of the discount for similar-to-life products, such as Workmen's Compensation.

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

26.1 Contingent liabilities related to legal proceedings

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

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

In all of these proceedings and investigations, 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 these actions, or to quantify future Ageas' liabilities should they be successful.

Administrative proceedings initiated by market regulators in the Netherlands and Belgium

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

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

In Belgium:

The Belgian Financial Services and Markets Authority (“FSMA”) initiated an investigation on Fortis’ external communication during the second quarter of 2008. On 12 April 2012, the FSMA Management Board forwarded the auditor’s investigation report to its Sanctions Commission. 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. Ageas filed an appeal against this decision before the Court of Appeal in Brussels.

Criminal procedure in Belgium

In Belgium, a criminal procedure is ongoing on the events mentioned above in the introduction to this chapter. 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 additional investigative measures, the hearing before the *Chambre du conseil/Raadkamer* was postponed *sine die*.

Any negative findings of these administrative proceedings 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.

Legal proceedings initiated by shareholders or associations of shareholders

These proceedings, both in Belgium and in the Netherlands, (i) are (in)directly related to the transactions in September/October 2008, or (ii) 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.

In the Netherlands:

On 16 August 2010, VEB (Vereniging van Effectenbezitters - Association of Shareholders) and certain other parties filed a request with the Ondernemingskamer (Enterprise Division of the Court of Appeal) in Amsterdam (i) to start legal proceedings aiming at establishing that certain facts mentioned in the Ondernemingskamer’s investigation report[2]) should be deemed ‘mismanagement’ (‘wanbeleid’) by Fortis, and (ii) to annul the release granted to Fortis N.V. directors on 29 April 2008.

On 5 April 2012, the Ondernemingskamer partly rejected, but at the same time partly upheld, the VEB requests thereby stating that there was mismanagement in certain matters. As a result, the Ondernemingskamer nullified the decision of the general shareholders’ meeting of Fortis N.V. to release the Board of Directors for its management during 2007, to the extent that the release related to the communication on the subprime portfolio in the prospectus and in the trading update. Ageas filed an appeal against this decision with the Dutch Supreme Court.

On 19 January 2011, the VEB initiated proceedings before the Amsterdam District Court seeking a ruling that various Fortis communications between September 2007 and 3 October 2008 constituted a breach of law by Fortis and by certain of its 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 financial institutions which acted as global coordinators and lead managers during the capital increase) that the information provided in the 24 September 2007 prospectus for the 9 October 2007 capital increase on Fortis' position in and exposure to the subprime situation, was incorrect and incomplete.

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 claim to invalidate the decisions taken by the Fortis Board in October 2008 and unwind the relevant transactions, or alternatively, to pay damages.

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.

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 24 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.

2 *Investigation report commissioned by the Enterprise Division and published on 16 June 2010. It can be consulted on Ageas' website: http://www.ageas.com/Documents/NL_final_report_dutch_investigation_20100616.pdf.*

In Belgium:

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. 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.

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 May 2007 to October 2008.

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.

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. On 25 June 2013 a similar action before the same court was initiated by two shareholders. On 19 September 2013, certain (former) Fortis shareholders represented by Mr. Lenssens initiated a similar action before the Brussels' Civil Court.

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.

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.

General observations

Taking into account that none of the experts appointed by the Courts have raised arguments that could substantiate or justify an annulment of (part of) the decisions taken by the Fortis Board of Directors in September/October 2008 and of the resulting agreements and transactions, and that the Amsterdam District Court in two judgments of 18 May 2011 dismissed the claims of VEB/Deminor and Stichting FortisEffect respectively with regard to these transactions, the Ageas management considers it unlikely that any of the proceedings described in this chapter would result in the annulment of these transactions.

Nevertheless, without prejudice to any specific comment made above 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 Financial Statements. For this reason, no provisions have been set aside yet. But Ageas will make provisions if and when, in the opinion of management, consulting with its legal advisors, it considers that, for these matters it is likely that payments will need to be made by Ageas and that the relevant amounts can be reasonably 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 Contingent liabilities for hybrid instruments of former subsidiaries

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

1. CASHES

CASHES (Convertible And Subordinated Hybrid Equity-linked Securities) represent 4,447 securities for a total nominal amount of EUR 1,112 million, issued by BNP Paribas Fortis SA/NV, with ageas SA/NV acting as co-obligor.

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 closing share price at 30 June 2013 amounted to EUR 26.98). 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 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.

2. Indemnity related to CASHES

Originally 12,000 CASHES securities were issued. In January 2012, BNP Paribas launched a tender offer on the CASHES securities at a price of 47.5% and subsequently exchanged 7,553 tendered CASHES securities for their underlying Ageas shares.

The tender and subsequent exchange was part of a broader agreement that Ageas reached with BNP Paribas Fortis SA/NV and BNP Paribas; Ageas paid EUR 287 million indemnity to BNP Paribas for the 63% exchange.

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

3. BNP Paribas Fortis SA/NV Tier 1 debt securities 2004

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

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

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).

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DERIVATIVES

Derivatives used by individual subsidiaries comply with the relevant supervisory regulations and Ageas's internal guidelines. Derivatives are used to manage market and investment risks. The subsidiaries manage the risk exposures in their investment portfolios based on general thresholds and targets. The most important purpose of these instruments is hedging against adverse market movements for selected securities or for parts of a portfolio. Ageas selectively uses derivative financial instruments such as swaps, options and forwards to hedge changes in currency rates or interest rates in their investment portfolio.

Important hedging instruments are equity forward contracts, equity options, total returns swaps, interest rate swaps, interest rate forwards, currency swaps and currency forwards. Hedging instruments may be implemented for individual transactions (micro hedge) of for a portfolio of similar assets or liabilities (portfolio hedge). Ageas is obliged to assess whether the criteria for hedge accounting are met, in particular whether the hedge relationships are highly effective in offsetting changes in fair values or cash flows between the hedging instrument and the hedged item. Furthermore, the required hedge documentation has to be prepared. At inception, all hedge relationships must be approved to ensure that all hedge requirements are fulfilled and the hedge documentation is complete. If the formal hedge relation can not be established or is too cumbersome then the derivatives are booked as held for trading.

Foreign exchange contracts

Futures are contracts that require settlement at a specified price and on a specified future date and can be traded in similar markets. Forwards are customized contracts between two entities where settlement takes place on a specific date in the future at today's pre-agreed price.

Trading derivatives

	30 September 2013			31 December 2012		
	Fair values			Fair values		
	Assets	Liabilities	Notional amount	Assets	Liabilities	Notional amount
Foreign exchange contracts						
Forwards and futures	14.7	0.2	717.9	19.3	0.4	1,055.6
Total	**14.7**	**0.2**	**717.9**	**19.3**	**0.4**	**1,055.6**
Interest rate contracts						
Swaps	4.9	2.5	505.7	8.9		624.1
Options	2.1		1,592.0	1.3		2,014.0
Total	**7.0**	**2.5**	**2,097.7**	**10.2**		**2,638.1**
Equity/Index contracts						
Options and warrants	0.3		0.6	3.2		10.6
Total	**0.3**		**0.6**	**3.2**		**10.6**
Other	**4.0**		**103.4**	**3.1**		**68.5**
Closing balance	**26.0**	**2.7**	**2,919.6**	**35.8**	**0.4**	**3,772.8**
Fair values supported by observable market data	2.7	0.2		6.3		
Fair values obtained using a valuation model	23.3	2.5		29.5	0.4	
Total	**26.0**	**2.7**		**35.8**	**0.4**	
Over the counter (OTC)	25.7	2.7	2,919.6	35.8	0.4	3,772.8
Exchange traded	0.3					
Total	**26.0**	**2.7**	**2,919.6**	**35.8**	**0.4**	**3,772.8**

Hedging derivatives

	30 September 2013			31 December 2012		
	Fair values			Fair values		
	Assets	Liabilities	Notional amount	Assets	Liabilities	Notional amount
Total	**0.2**	**3.9**	**354.4**	**0.9**	**3.4**	**325.0**
Interest rate contracts						
Forwards and futures	0.7	5.7	344.3			
Swaps		20.1	329.0		28.1	324.7
Options	1.1		82.2	0.7		82.2
Total	**1.8**	**25.8**	**755.5**	**0.7**	**28.1**	**406.9**
Closing balance	**2.0**	**29.7**	**1,109.9**	**1.6**	**31.5**	**731.9**
Fair values supported by observable market data						
Fair values obtained using a valuation model	2.0	29.7		1.6	31.5	
Total	**2.0**	**29.7**		**1.6**	**31.5**	
Over the counter (OTC)	2.0	29.7	1,109.9	1.6	31.5	731.9
Total	**2.0**	**29.7**	**1,109.9**	**1.6**	**31.5**	**731.9**

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Commitments

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

Commitments	30 September 2013	31 December 2012
Commitment Received		
Credit lines	271.5	271.5
Other credit related	1.7	1.7
Collateral & guarantees received	3,958.0	3,990.8
Insurance related rights and commitment	14.7	14.5
Total received	**4,245.9**	**4,278.5**
Commitment Given		
Guarantees, Financial and Performance Letters of Credit	90.1	45.8
Credit lines	426.0	375.7
Used	(140.1)	(102.3)
Available	285.9	273.4
Collateral & guarantees given	1,644.1	1,397.6
Entrusted assets and receivables	633.7	651.8
Capital rights & commitments	148.6	244.4
Other off balance-sheet commitments	627.1	472.2
Total given	**3,429.5**	**3,085.2**

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 comprises collateral and guarantees given mainly in connection with REPO agreements, entrusted assets and receivables and extended credit lines.

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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 Financial Statements as at 30 September 2013.

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 2013 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 2013 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 2013 on 5 November 2013 and authorised their issue.

Brussels, 5 November 2013

Board of Directors

Chairman	Jozef De Mey
Vice-Chairman	Guy de Selliers de Moranville
Chief Executive Officer	Bart De Smet
Directors	Steve Broughton
	Richard Jackson
	Jane Murphy
	Roel Nieuwdorp
	Lionel Perl
	Lucrezia Reichlin
	Jan Zegering Hadders

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 2013 and for 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 2013, 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 2013 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 attention to note 26 to the condensed consolidated interim financial information for the nine-months period ended 30 September 2013 in which is described that Ageas is involved in a number of legal proceedings as well as administrative and criminal investigations in connection with certain events and developments having occurred between May 2007 and October 2008, some of which could result in financial liabilities for the company. However, the ultimate outcome of these matters cannot presently be determined. Our opinion is not qualified in respect of this matter.

Brussels, 5 November 2013
KPMG Bedrijfsrevisoren/Réviseurs d'Entreprises

Represented by
M. Lange
Bedrijfsrevisor/Réviseur d'Entreprises

ageas

Your Partner in Insurance