PRESS RELEASE

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Regulated Information – Ageas results 3 months 2012[1]

Strong performance of our insurance activities

- **Insurance net profit of EUR 155 million, +15%;**
  - Life net result at EUR 126 million (+19%)
  - Non-Life net result at EUR 26 million (+5%); Group combined ratio at 101.9% vs.101.5%
- **Group inflows at EUR 5.7 billion, +17%;**
  - Life inflows at EUR 4.1 billion, +14%
  - Non-Life inflows at EUR 1.6 billion, +27%
- **Life Funds under management scope-on-scope at EUR 65.6 billion, up 2% vs. end 2011;**

Group net result at EUR 84 million negative, mainly impacted by legacies

- **General Account net loss of EUR 239 million, of which EUR 213 million related to legacies and including the impact of the transaction with BNP Paribas;**

Shareholders' equity up, solvency strong and stable

- **Shareholders' equity at EUR 8.3 billion, EUR 3.48 per share, +8% vs. end 2011;**
- **Insurance solvency at 207%; Group solvency ratio at 237%; available capital EUR 5.1 billion above the minimum requirements; net cash position of EUR 1.3 billion ;**
- **Net exposure[2] to Southern European sovereigns at EUR 2.3 billion, down by EUR 0.7 billion vs. end 2011.**

CEO Bart De Smet said:

"Our insurance activities have started well in 2012, with improved inflows and profits in nearly all segments of our activities, especially in Asia where we, for the first time, passed the EUR 2 billion per quarter inflow level. The main exception to this generally improved picture is the result of Fire in Belgium, which was impacted by a severe storm in January.

By reaching an agreement with BNP Paribas on the RPN(I) and the Tier 1 Instrument, we made additional progress in solving the outstanding legacies. We also announced initiatives to further simplify our legal structure. We received a number of court decisions related to various legal procedures and will appeal those we disagree with.

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

1 *All 3 months 2012 data are compared to the first 3 months of 2011 unless otherwise stated.*

2 *After non-controlling interests and at amortized cost.*

in EUR million	3M 12	3M 11	Change	FY 11
Gross inflows (incl. non-consolidated partnerships)	**5,651.0**	**4,832.0**	**17 %**	**17,219.0**
- of which inflows from non-consolidated partnerships	2,830.0	1,665.0	70 %	5,981.0
Net result Insurance attributable to shareholders	**154.8**	**134.5**	**15 %**	**(313.1)**
By segment:				
- Belgium	77.6	81.6	(5 %)	(327.0)
- UK	16.9	4.9	-	86.0
- Continental Europe	17.3	17.8	(3 %)	(8.0)
- Asia	43.0	30.2	42 %	(64.1)
By type:				
- Life	125.5	105.7	19 %	(425.1)
- Non-Life	26.2	24.8	6 %	82.2
- Other	3.1	4.0	(23 %)	29.9
Net result General Account	**(238.6)**	**(287.5)**	**(17 %)**	**(265.1)**
Net result Ageas attributable to shareholders	**(83.8)**	**(153.6)**	**(45 %)**	**(578.2)**
Life Funds under management (in EUR bn) *	**65.6**	**65.0**	**1 %**	**64.4**
Operating cost Life/FUM Life ratio [1)]	**0.51%**	**0.51%**		**0.51%**
Combined ratio	**101.9%**	**101.5%**		**101.1%**
Total solvency ratio Insurance	**207%**	**201%**		**207%**
Weighted average number of ordinary shares (in million)	2,392	2,583	(7 %)	2,546
Earnings per share (in EUR)	**(0.04)**	**(0.06)**	**(41 %)**	**(0.23)**
Shareholders' equity	**8,304**	**7,446**	**12 %**	**7,760**
- Shareholders' equity excl. value call option	8,100	6,835	19 %	7,365
Net equity per share (in EUR)	**3.48**	**2.88**	**21 %**	**3.23**
- Net equity per share excl. value call option (in EUR)	3.39	2.65	28 %	3.06
Return on equity ****	**(6.4%)**	**3.1%**		**(7.2%)**

* *Adjusted for the reclassification of Fortis Luxembourg Vie and Ageas Deutschland to 'Assets and Liabilities held for sale'*

** *Return on equity calculated on the basis of a 12-months profit and a net equity rolling average of the 4 past quarters*

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Content

Executive summary

Ageas's first quarter 2012 results are encouraging with improved inflows and financial results in nearly all segments. Inflows in the first quarter increased by 17% year on year to reach EUR 5.7 billion, with growth both in Life (+14%) and Non-Life (+27%). In Asia, inflows levels passed the "EUR 2 billion by quarter" level for the first time ever while Continental Europe grew by more than 40%, the latter mainly due to changes in scope with the inclusion of 100% of the new partnerships in Turkey (Non-Life) and Luxembourg (Life). The total non-consolidated partnerships contributed EUR 2.8 billion to the gross inflows (+65%). At constant exchange rates and including the non-consolidated partnerships, inflows would have increased 14% compared to last year.

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

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

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

Insurance

Life: higher net capital gains and better spreads, increasing inflows driven by Asia and Continental Europe

The **Life** activities contributed EUR 126 million to the **net result**, compared to EUR 106 million last year (+19%), supported by better financial margins in Belgium and strong results in Asia across all countries, reflecting solid growth in the underlying business. Similar to last year, the net result in Belgium included a charge of EUR 5 million related to the contribution levied by the state on the insurance industry and applicable as of 1 January 2011.

Inflows, including non-consolidated partnerships at 100%, reached EUR 4.1 billion, up 14% on last year. In Asia, Life inflows increased substantially (+22%) especially in China and Thailand. The choice made in 2011 to put more emphasis on the sale of Life contracts with regular premiums starts to pay off. In Continental Europe, lower sales in Portugal due to timing differences, were more than compensated by the positive impact from higher inflows in Luxembourg, following the merge of Ageas's activities with Cardif Lux at the end of 2011. In Belgium, inflows fell by 4% due to a continued low appetite for unit linked products but with resilient sales in competitive savings products.

Funds under management in the consolidated activities increased by 2% in the first quarter at EUR 65.6 billion. Life funds under management in the Asian and Continental European non-consolidated partnerships amounted to EUR 32.2 billion, compared to EUR 31.0 billion last year.

Non-Life: overall net result slightly up, inflows further up across all segments

The **Non-Life** operations reported a positive **net result** of EUR 26 million, up 6% on last year. All segments were profitable. The improved result in the UK, partly driven by capital gains, compensated for a lower result in Belgium. The latter was impacted by claims costs in Fire but also less favourable results in Motor. The contribution of the Continental European and Asian Non-Life activities remained flat at EUR 8 million. The addition of the Turkish Non-Life partnership, contributing positively to the result, partly compensated for a lower result in Asia. The latter benefited in 2011 from a non-recurring tax benefit of EUR 3 million.

Gross written Premiums grew further from EUR 1.2 billion in 2011 to EUR 1.6 billion this year, up by more than 25%. The increase is spread over all segments but especially fuelled by the inclusion of the Non-Life activities in Turkey. In the UK, gross written premiums increased further thanks to a continued strong business performance of Ageas Insurance and Tesco Underwriting while the Non-Life activities in Asia grew in every product line, especially in Motor.

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

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

Non-Life reserves increased 3% to EUR 6.4 billion in line with volume growth.

Other Insurance: higher income, financial performance slightly down in a tough environment

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

Investment portfolio: fair value significantly up in first quarter supported by lower yields

Ageas's investment portfolio at the end of March amounted to EUR 62.5 billion compared to EUR 59.5 billion at the end of 2011. The increase is largely due to higher market values following the overall yield and spread drop on both sovereigns and corporate bonds.

Given the increase in liquidity and reduction in spreads of Southern European sovereigns, Ageas decided to further reduce its exposure to these countries (Greece, Spain, Italy and Portugal) in the first quarter of 2012. The divestments of Southern European sovereigns along with some of the core European countries (the Netherlands and France), were primarily reinvested in Belgian sovereign bonds (EUR 16.8 billion including 'Held to Maturity'). The total net sovereign exposure to Southern European countries ('Available for Sale' and 'Held to Maturity'), i.e. after non-controlling interests, as at 31 March 2012 at amortized cost and including impairments declined to EUR 2.3 billion (vs. EUR 3.0 billion at the end of 2011).

End of March the unrealized gains and losses on the total available for sale investment portfolio (including real estate) increased from EUR 1.8 billion at the end of 2011 to EUR 3.2 billion, mainly driven by a positive evolution in unrealized gains on fixed income (EUR 1.3 billion) and to a lesser extent on equity securities (EUR 0.1 billion).

General Account

The **General Account**'s net result amounted to EUR 239 million negative for the first quarter, driven by a total negative impact of the legacy issues of EUR 213 million. This can be broken down by a negative impact of EUR 132 million related to the settlement with BNP Paribas and Fortis Bank on the RPN(I) and Tier 1 Instrument[3], and a charge of EUR 191 million related to the lower value of the call option on the BNP Paribas shares, partly offset by a positive result of EUR 112 million related to Royal Park Investments.

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

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

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

Contingent liabilities

Please refer to note 29 of the Consolidated Interim Financial Statements as per 31 March 2012 for the entire section of "Contingent liabilities". Since the publication of Ageas's annual report on 14 March 2012 certain new elements with respect to the legacy issues emerged. These include a.o. the judgment of the Dutch "Ondernemingskamer" rendered on 5 April 2012. This stated that there was mismanagement by Fortis N.V. in the course of 2007 and 2008 in respect of several matters. The judgement also nullified the decision of the General Shareholders' Meeting of Fortis N.V. to discharge the Board of Directors for its management during 2007 relating to communication on the subprime portfolio in the September 2007' prospectus and trading update. Ageas has announced that it will file an appeal against this decision with the Supreme Court of the Netherlands.

[3] See press release of 7 February 2012

On 23 March 2012, Ageas obtained a favourable judgment from the Brussels' Commercial Court in a legal procedure initiated by former Mandatory Convertible Securities (MCS) holders. These holders requested validation of the postponement of the maturity date of the MCS until 7 December 2030 and the annulment of the conversion of the MCS into Ageas' shares or, alternatively, the payment of damages. The court dismissed the claims and as a result the conversion of the MCS into Ageas' shares remains unaffected and no compensation is due by Ageas. This judgment is subject to appeal.

Group

Shareholders' equity up to EUR 3.48 per share

Shareholders' equity at 31 March 2012 amounted to EUR 8.3 billion (EUR 3.48 per share) compared to EUR 7.8 billion (EUR 3.23 per share) at the end of 2011. The increase results mainly from higher unrealized capital gains on the investment portfolio more than offsetting the negative Group result.

Solvency remains solid

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

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

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Details by business segment

Belgium

- **Satisfactory inflows (EUR 1.8 billion) across Life and Non-Life**
  - Life inflows slightly down -4%
  - Non-Life Gross Written Premiums up 5% reflecting tariff increases and volume growth
- **Solid net profit after non-controlling interests at EUR 78 million**
  - Life net result at EUR 73 million; operating margin fuelled by better investment margins
  - Non-Life result at EUR 5 million affected by adverse technical result in Fire
- **Life funds under management at EUR 50.1 billion (vs. EUR 49.1 billion end December 2011)**
  - Increase driven by new intakes in savings and by Group Life
- **Overall Combined ratio at 104.1% (vs. 98.6%)**
  - Negative impact in Fire; Motor Performance in line with expectation but down compared to a notably good 3M 2011
  - Workmen's Compensation strongly improved at 84.3% (vs. 95.2%)
- **Further reduction of exposure to Southern European sovereigns in the investment portfolio**

in EUR million			
Income Statement - Life	**3M 12**	**3M 11**	**Change**
Gross written premiums	1,205.7	1,222.1	(1 %)
Investment contracts without dpf	53.2	88.4	(40 %)
Gross inflow Life	**1,258.9**	**1,310.5**	**(4 %)**
Operating costs	(46.9)	(45.5)	3 %
Technical result	**77.1**	**65.0**	**19 %**
Allocated capital gains	50.4	15.9	*
Operating margin	**127.5**	**80.9**	**58 %**
Non-allocated other income and expenses	21.8	37.5	(42 %)
Result before taxation	**149.3**	**118.4**	**26 %**
Income tax expenses	(50.7)	(28.1)	80 %
Net result attributable to non-controlling interests	25.7	23.7	9 %
Net result attributable to shareholders	**72.9**	**66.6**	**10 %**

Income Statement - Non-Life	**3M 12**	**3M 11**	**Change**
Gross written premiums Non-Life	**534.7**	**511.1**	**5 %**
Operating costs	(72.0)	(68.8)	5 %
Technical result	**3.0**	**23.2**	**(87 %)**
Allocated capital gains	4.1	1.3	*
Operating margin	**7.1**	**24.5**	**(71 %)**
Non-allocated other income and expenses	2.7	4.6	(40 %)
Result before taxation	**9.8**	**29.1**	**(66 %)**
Income tax expenses	(3.4)	(8.9)	(62 %)
Net result attributable to non-controlling interests	1.7	5.2	(67 %)
Net result attributable to shareholders	**4.7**	**15.0**	**(69 %)**

Income Statement Total	**3M 12**	**3M 11**	**Change**
Gross inflow	**1,793.6**	**1,821.6**	**(2 %)**
Operating costs	(118.9)	(114.3)	4 %
Net result attributable to shareholders	**77.6**	**81.6**	**(5 %)**

Life

Resilient inflows, good technical result

Life inflows amounted to EUR 1.3 billion, down 4%. In Individual Life, strong inflows in 3M 2011 were supported by an increase of the guaranteed interest rate and specific commercial campaigns. Despite the low interest environment, inflows in savings products have remained resilient this year. However, the unit-linked business continued to suffer from low risk appetite. Group Life reached EUR 274 million compared to EUR 258 million last year (+6%) mainly explained by timing differences.

Life Funds under Management increased to EUR 50.1 billion (+2% compared to the end of 2011) reflecting a mixed picture with Savings funds under management up 2.4% and Unit-linked funds under management relatively stable, the latter driven by lower sales compensated by a favourable market value evolution of the underlying funds.

The technical result increased to EUR 77 million vs. EUR 65 million last year. It was positively impacted by good investment margins despite some realized losses in the segregated funds, resulting from derisking in Southern European sovereigns and from the reshuffling of the investment portfolio in 2011 and the beginning of 2012. The **operating margin** (EUR 128 million vs. EUR 81 million last year) was further increased by higher realized capital gains on bonds compared to last year.

The **net profit** amounted to EUR 73 million vs. EUR 67 million, and was driven by a better operating margin, the latter partially offset by a higher effective tax rate.

Non-Life

Sustained 5% inflows growth but technical result still under pressure

Gross written premiums increased further across all businesses, especially in Fire (+10%) both via the bank and broker channels, driven by a combination of tariff increases and volume growth.

The technical result declined from EUR 23 million last year to EUR 3 million this year. Operating performance in Workmen's Compensation improved thanks to a decrease in claims frequency and severity, better prior year claims' evolution supported by higher tariffs and targeted pruning actions. In Fire the results were lower unfavourably impacted by climatic events (January storms and February frost/defrost claims) and a higher claims frequency and severity. Motor performance declined down to normal levels compared to an exceptionally good 3M 2011.

The combined ratio has been restated as from 3M 2012 to bring the calculation methodology more in line with market practice for Non-Life products with discounted insurance liabilities in Disability and Workmen's Compensation. As of this year the unwind of the discount has been excluded from the claims ratio. Comparable data has been restated accordingly with a positive impact on the overall combined ratio of 1.6% for 3M 2012.

The combined ratio stands at 104.1% in 3M 2012 vs. 98.6% previous year. This lower performance is mostly visible in Motor (from 94.9% to 101.5%) while Fire went from 116.7% to 117.9%. Workmen's Compensation, part of Accident and Health, on a new basis, strongly improved from 95.2% last year to 84.3%.

Net profit amounted to EUR 5 million in 3M 2012 vs. EUR 15 million mostly due to the deterioration of the technical result.

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United Kingdom

- **Higher inflows levels across Life and Non-Life**
  - Non-Life Gross Written Premiums increased **13%** in comparison with last year reflecting Personal Lines growth in both Ageas Insurance and Tesco Underwriting
  - Life Protection inflows up **75%**, in line with its distribution strategy
  - Retail income up 8%
- **Significantly improved net profit at EUR 17 million vs. EUR 5 million**
  - Non-Life net profit at EUR 14 million (vs. EUR 2 million) driven primarily by continuing strong Motor performance and net realised capital gains, offsetting first quarter seasonal weather claims
  - Life Protection business development progressing with a near break even result
  - Retail ("Other") net profit at EUR 3 million impacted by a tough and competitive retail environment
- **Combined ratio at 102.3% (vs.106.0%) reflecting seasonality**
  - Improved Combined ratio in Motor at 98.0% vs. 100.3%
  - Combined ratio Household down at 111.5% vs. 121.9%

in EUR million Income Statement - Life	3M 12	3M 11	Change
Gross written premiums	18.0	10.3	75 %
Investment contracts without dpf	-	-	*
Gross inflow Life	**18.0**	**10.3**	**75 %**
Operating costs	(7.6)	(6.9)	9 %
Technical result	**(0.9)**	**(1.4)**	**(32 %)**
Allocated capital gains	-	-	*
Operating margin	**(0.9)**	**(1.4)**	**(34 %)**
Non-allocated other income and expenses	0.4	0.4	0 %
Result before taxation	**(0.5)**	**(1.0)**	**(46 %)**
Income tax expenses	0.4	0.3	69 %
Net result attributable to non-controlling interests	-	-	*
Net result attributable to shareholders	**(0.1)**	**(0.7)**	**(87 %)**

Income Statement - Non-Life	3M 12	3M 11	Change
Gross written premiums Non-Life	**533.9**	**471.1**	**13 %**
Operating costs	(44.5)	(30.9)	44 %
Technical result	**8.8**	**(3.5)**	*
Allocated capital gains	8.0	0.9	*
Operating margin	**16.8**	**(2.6)**	*
Non-allocated other income and expenses	5.8	2.5	*
Result before taxation	**22.6**	**(0.1)**	*
Income tax expenses	(5.6)	--	*
Net result attributable to non-controlling interests	3.1	(1.7)	*
Net result attributable to shareholders	**13.9**	**1.6**	*

Income Statement - Other Insurance	3M 12	3M 11	Change
Fee and commission income	43.8	39.8	10 %
Other income	23.8	22.9	4 %
Staff expenses	(26.6)	(22.5)	18 %
Other expenses	(36.7)	(34.6)	6 %
Result before taxation	**4.3**	**5.6**	**(22 %)**
Income tax expenses	(1.2)	(1.6)	(24 %)
Net result attributable to non-controlling interests	-	-	*
Net result attributable to shareholders	**3.1**	**4.0**	**(22 %)**

Income Statement Total	3M 12	3M 11	Change
Gross inflow	**551.9**	**481.4**	**15 %**
Operating costs	(52.1)	(37.8)	38 %
Net result attributable to shareholders	**16.9**	**4.9**	*

Life

Inflows further up, result nearly breakeven

Gross inflows amounted to EUR 18 million for the first quarter, an increase of 75% year-on-year. This growth reflected the successful roll out of the Protection proposition of Ageas UK to an increasing number of Independent Financial Advisers (IFAs) together with the broadening of its distribution through its affinity partnerships. The company now provides cover to over 211,000 customers, an increase of 56%.

The **net result** in the first quarter was a near break even result in line with its stage of business development.

Non-Life

Steady inflows, solid overall operating performance

Total **gross written premiums** for the first quarter of 2012 amounted to EUR 534 million compared to EUR 471 million for the same period last year, driven by good growth in Personal and Commercial lines and the continued growth in inflows from Tesco Underwriting, Ageas's partnership with Tesco Bank.

The inflows break down into EUR 338 million for Private Car (vs. EUR 261 million), EUR 109 million for Household (vs. EUR 125 million in 3M 2011) and EUR 15 million in Travel (vs. EUR 16 million). Tesco Underwriting reported inflows of EUR 174 million (vs. EUR 156 million), and now has 1.5 million customers.

Inflows in Ageas Insurance Commercial lines grew by 7% to EUR 60 million, reflecting strong growth in Van in particular.

In a quarter typically impacted by adverse seasonal factors, there was good performance in the Non-Life operations with the **net result** after non-controlling interests up by EUR 12 million to EUR 14 million (vs. EUR 2 million). The key factors were the continuing improvement in performance in Motor together with net realized capital gains (EUR 6 million) offsetting seasonal claims in Household related to winter weather. Within Ageas Insurance, both the Motor and Household book continued to improve compared to the same period last year at EUR 10.7 million (vs. EUR 3.3 million). The net result for Tesco Underwriting, before non-controlling interests, in the first quarter amounted to EUR 6.3 million (vs. a loss of EUR 3.4 million).

The **combined ratio** in the first quarter 2012 was 102.3%, compared to 106.0% last year. Strong progress in Motor continued with the combined ratio improving by 2.3 points to 98.0%. The improvements were driven by lower claims frequency, better fraud prevention and revised rating structures.The combined ratio in Household also improved from 121.9% to 111.5%, reflecting strong rating action by management.

Other Insurance

The UK's Other Insurance segment which includes the Retail operations - RIAS, Kwik Fit Financial Services (KFFS), Ageas Insurance Solutions (UKAIS) and Castle Cover – reported total fee and commission **income** of EUR 68 million, compared to EUR 63 million in 3M 2011. Growth has come from the inclusion of a full quarter's result from Castle Cover, acquired in March 2011. **Net profit** reduced from EUR 4 million to EUR 3 million, underlining a tough and competitive retail environment linked to general economic conditions.

Continental Europe

- **Inflows, including non-controlling partnerships at 100%, up to EUR 1.1 billion, driven by recently acquired/merged activities**
  - Life inflows up to EUR 853 million (+27%), influenced by merged activities in Luxembourg
  - Non-Life inflows more than doubled to EUR 275 million, including new partnership in Turkey
- **Sustained net profit at EUR 17 million, fuelled by a good Non-Life performance**
  - Life net result at EUR 14 million due to lower investment margins
  - Non-Life net result at EUR 3 million, including a positive contribution from Turkey
- **Combined ratio at 90.3% on a consolidated basis (vs. 99.3%)**
- **Life funds under management scope-on-scope at EUR 13.9 billion, slightly up compared to end 2011**
- **Sale of German Life activities to Augur Capital closed mid March**

in EUR million			
Income Statement - Life	**3M 12**	**3M 11**	**Change**
Gross written premiums	176.3	232.5	(24 %)
Investment contracts without dpf	92.8	436.8	(79 %)
Gross inflow Life	**269.1**	**669.3**	**(60 %)**
Operating costs	(18.2)	(27.1)	(33 %)
Technical result	**31.1**	**42.1**	**(26 %)**
Allocated capital gains	0.1	-	*
Operating margin	**31.2**	**42.1**	**(26 %)**
Non-allocated other income and expenses	5.4	3.3	*
Result before taxation, consolidated entities	**36.6**	**45.4**	**(16 %)**
Result before taxation, associates	**1.5**		*
Income tax expenses	(12.3)	(11.5)	7 %
Net result attributable to non-controlling interests	11.9	16.8	(29 %)
Net result attributable to shareholders	**13.9**	**17.1**	**(19 %)**

Income Statement - Non-Life	**3M 12**	**3M 11**	**Change**
Gross written premiums Non-Life	**118.0**	**119.5**	**(1 %)**
Operating costs	(17.6)	(18.7)	(6 %)
Technical result	**11.1**	**3.0**	*
Allocated capital gains	0.8	-	*
Operating margin	**11.9**	**3.0**	*
Non-allocated other income and expenses	0.8	-	*
Result before taxation, consolidated entities	**12.7**	**3.0**	*
Result before taxation, associates	**1.1**		*
Income tax expenses	(5.1)	(1.2)	*
Net result attributable to non-controlling interests	5.3	1.1	*
Net result attributable to shareholders	**3.4**	**0.7**	*

Income Statement Total	**3M 12**	**3M 11**	**Change**
Gross inflow	**387.1**	**788.8**	**(51 %)**
Operating costs	(35.8)	(45.8)	(22 %)
Net result attributable to shareholders	**17.3**	**17.8**	**(3 %)**

Life

Inflows sharply up, driven by new partnership in Luxembourg

With a 27% increase over last year, **inflows**, including non-consolidated entities at 100%, proved robust in a still very fragile economical environment.

Higher inflows from the new **Luxembourg** partnership is the key driver. At the end of 2011 Ageas merged with Cardif Life International to form Cardif Lux Vie, the 2nd largest Luxembourg provider of insurance. Cardif Lux Vie realised an inflows of EUR 583 million, mainly as a result of the sales of Unit-linked and Savings business to high net worth individuals.

In the other countries, inflows remained below last year's levels, primarily related to the limited appetite from clients for long-term investments.

Volumes halved in **Portugal** to EUR 186 million, partly hampered by the timing of two unit-linked campaigns with payment dates in April. In response to the economic downturn, sales efforts have been reoriented towards protection and unit linked business. As a consequence, the sale of saving products has declined to less than 20% of total inflows.

The **French** activities managed to maintain a fairly stable inflow because of a sizeable single premium. Furthermore a transformation of the sales force, allowing them to develop additional market segments, is putting pressure on the commercial performance.

Life Funds under Management on a scope-on-scope basis increased to EUR 13.9 million (+1.5%) compared to end 2011. In Luxembourg, Funds under Management increased from EUR 12.6 billion to EUR 13.0 billion.

The operating margin amounted to EUR 31 million, -26% vs. last year due to scope changes (Luxembourg and Germany) and to lower investment margins resulting from last year's de-risking of the balance sheet.

Operating costs on a scope-on-scope basis amounted to EUR 18 million, down 8% due to continued cost containment and timing differences.

Net result after non-controlling interests decreased from EUR 17 million last year to EUR 14 million.

Non-Life

Positive performance with a combined ratio at 90.3%

Ageas took an important step in expanding its Non-Life activities in Continental Europe by acquiring a 31% stake in AKSigorta at the end of July 2011. Together with the other main shareholder of AKSigorta, Haci Omer Sabanci Holding, Ageas decided in November 2011 to acquire 10% of the total outstanding shares of AKSigorta, to be equally divided among both shareholders and which is expected to bring Ageas's shareholdership in AKSigorta to 36%. At the end of March, Ageas's stake amounted to 35.4%.

Non-Life gross written premiums including the non-controlling partnership of AKSigorta more than doubled to EUR 275 million. On a consolidated basis gross written premiums remained flat at an amount of EUR 118 million. Especially in Fire the business has grown by 12.9% from EUR 16 to EUR 18 million, while the other lines remained fairly stable. Accident & Health continued to be the major business line in the portfolio.

The **Portuguese** operations performed better than prior year (+4%) despite the economic recession hitting the country and in sharp contrast with the overall decrease in the Non-Life market in Portugal (-2% by end of February).

Italy, focusing on profitability, has seen a slight decrease in gross written premiums, from EUR 52 million to EUR 48 million, driven by one-offs last year. The profitable Fire and Health business lines are showing double digit growth (respectively 11% and 16%).

Turkish gross written premiums ended at EUR 157 million, up 16% from EUR 136 million. The focus on profitability has affected the breakdown of the portfolio. Motor remains the largest weight in the portfolio but is reduced to 40% with a strong increase in Fire and Private Health volumes. Bancassurance is up by 36%.

The operating margin increased substantially to EUR 12 million.This result is driven by a good technical result in Accident and Health and Motor business and is reflected in the combined ratio of 90.3%, excluding Turkey. The latter posted an improved combined ratio of 101.4%, compared to 105.2% last year.

Operating costs decreased 6%, both in Italy and Portugal as a result of a continued focus on cost containment.

Net result, after non-controlling interests, increased from EUR 1 million to EUR 3 million and this improvement is the result of the consolidation of AKSigorta as well as the higher inflows and lower claims costs in both Portugal and Italy.

Asia

- **Excellent inflows levels exceeding EUR 2 billion for the first time ever**
  - Life up 22% with very strong renewals book from high-quality regular premium sales combined with good persistency
  - Non-Life, top line up 68% and a solid operating performance
- **Net profit strongly up to EUR 43 million**
  - Organic growth of underlying businesses, supported by recovering capital markets

in EUR million			
Income Statement - Life	**3M 12**	**3M 11**	**Change**
Gross written premiums	57.2	51.2	12 %
Investment contracts without dpf	31.0	23.7	30 %
Gross inflow Life	**88.2**	**74.9**	**18 %**
Operating costs	(10.0)	(8.2)	22 %
Technical result	**11.1**	**8.3**	**33 %**
Allocated capital gains	0.9	0.4	*
Operating margin	**12.0**	**8.7**	**38 %**
Non-allocated other income and expenses	(2.9)	(3.1)	(6 %)
Result before taxation, consolidated entities	**9.1**	**5.6**	**62 %**
Result before taxation, associates	**30.3**	**17.7**	**71 %**
Income tax expenses	(0.7)	(0.5)	44 %
Net result attributable to non-controlling interests	-	-	*
Net result attributable to shareholders	**38.7**	**22.8**	**70 %**

Income Statement - Non-Life	**3M 12**	**3M 11**	**Change**
Gross written premiums Non-Life	**-**	**-**	*
Operating costs	-	-	*
Technical result	**-**	**-**	*
Allocated capital gains	-	-	*
Operating margin	**-**	**-**	*
Non-allocated other income and expenses	-	-	*
Result before taxation, consolidated entities	**-**	**-**	*
Result before taxation, associates	**4.3**	**7.4**	**(42 %)**
Income tax expenses	-	-	*
Net result attributable to non-controlling interests	-	-	*
Net result attributable to shareholders	**4.3**	**7.4**	**(42 %)**

Income Statement Total	**3M 12**	**3M 11**	**Change**
Gross inflow	**88.2**	**74.9**	**18 %**
Operating costs	(10.0)	(8.2)	22 %
Net result attributable to shareholders	**43.0**	**30.2**	**42 %**

Life

Strong high-quality regular premium inflows and higher net profit levels

Inflows were up 22% (14% at constant exchange rates) to EUR 2.0 billion. Continued focus on recurring premiums and persistency has resulted in a very strong renewal book (up 38% to EUR 1.1 billion). Recurring premiums now represent over 70% of total Life inflows. Throughout the region there are signals that last year's monetary tightening is easing and as a result sales in the bank channels are starting to pick up.

Total inflows of the consolidated operations in **Hong Kong** increased by 18% to EUR 88 million. New business premiums increased by 31% following continued strong growth in the IFA channel, now accounting for 23% of new business premiums, and further productivity improvements in the agency channel.

In **China** inflows increased 21% to EUR 1.4 billion. The strong focus on building a book of higher-margin recurring premiums combined with excellent persistency is paying off, resulting in a 48% increase of renewals to EUR 774 million.

In **Thailand** the strong growth trend of the previous two years continued, with inflows up 31% to EUR 278 million. The growth originated from productivity improvements in both the bank and agency channels and a gradual increase of the number of agents.

Inflows in **Malaysia** increased 22% to EUR 170 million, with new business premiums up 30% to EUR 113 million. The year started with a strong bank channel activity, whereas last year virtually no campaigns took place due to the banks' focus on strengthening their own balance sheet and deposit base.

Total inflows in **India** declined 11% to EUR 40 million. New business premiums declined 28% to EUR 17 million.

Funds under Management increased 4% from the end of last year to EUR 20.8 billion, reflecting the continued growth of the Asian entities. Funds under Management of the consolidated operations in Hong Kong increased 2% in the first quarter to EUR 1.6 billion.

Net profit after non-controlling interests improved as a result of further organic growth of the underlying businesses and higher capital gains on investments in overall recovering capital markets.

Net profit of the **consolidated operations** in Hong Kong amounted to EUR 12 million, up 54% and including a EUR 4 million non-recurring positive adjustment related to a deferral of commission expenses. The **non-consolidated partnerships** contributed a net profit of EUR 30 million, an increase of 71%. Net profit increased because of the excellent growth in the underlying businesses, with Funds under Management up almost 30% on last year. Additionally, there was a positive impact from recovering capital markets (EUR 10 million vs. EUR 7 million last year). The result of the non-consolidated partnerships was reduced by the costs of an equity hedge (EUR 3 million), which was implemented to provide protection against any potential significant decline in the Chinese stock market. **Other regional costs and income** amounted to EUR 4 million negative compared to EUR 3 million negative last year.

Non-Life

Top line growth with profitable combined ratio

Gross written premiums – at 100% and entirely attributable to the non-consolidated partnerships in Malaysia and Thailand – were up 68% (63% at constant exchange rates) to EUR 215 million. In Malaysia premiums increased 76% to EUR 170 million because of the early renewal of a corporate contract in MAT (Marine, Aviation, Transport) and continued growth of the Motor business. Thailand continued its strong growth in all lines of business (+44% to EUR 46 million).
Net profit was down compared to last year at EUR 4 million, but with last year including an exceptional non-recurring tax recovery in Malaysia. The intrinsic operational performance remained very strong with a combined ratio of 93.6% (vs. 89.6%).

General Account

- **Net loss of EUR 239 million, of which EUR 213 million related to the impact of legacy issues**
- **Negative result impact of EUR 132 million settlement with BNP Paribas and Fortis Bank on RPN(I) and Tier 1 instrument; Positive impact on net cash position of EUR 666 million**
- **Value of the call option on BNP Paribas shares down by EUR 191 million**
- **Positive result in Royal Park Investments of EUR 112 million, Equity value up to EUR 894 million**

in EUR million **Income Statement**	**3M 12**	**3M 11**	**Change**
Net interest Income	32.6	(2.3)	*
Unrealised gain (loss) on Call option BNP Paribas shares	(191.0)	2.0	*
Unrealised gain (loss) on RPN(I)	(270.7)	(257.0)	5 %
Result on sales and revaluations	121.9	(4.3)	*
Share of result of associates	112.4	(11.9)	*
Other income	(3.2)	(3.8)	(16 %)
Total income	**(198.0)**	**(277.3)**	**(29 %)**
Change in impairments and provisions	(1.1)	(0.4)	*
Net revenues	**(199.1)**	**(277.7)**	**(28 %)**
Staff expenses	(3.6)	(4.0)	(11 %)
Insurance claims and benefits (net)	-	1.5	*
Depreciation, amortisation and other expenses	(1.9)	(0.2)	*
Other operating and administrative expenses	(6.1)	(8.0)	(24 %)
Total expenses	**(11.6)**	**(10.7)**	**9 %**
Result before taxation	**(210.7)**	**(288.4)**	**(27 %)**
Income tax expenses	(27.9)	(0.1)	*
Net result for the period	**(238.6)**	**(288.5)**	**(17 %)**
Net result attributable to non-controlling interests	-	(0.4)	*
Net result attributable to shareholders	**(238.6)**	**(288.1)**	**(17 %)**

Balance Sheet (main items)	**31 Mar 12**	**31 Dec 11**	**Change**
RPN(I)	(162.7)	(190.0)	14 %
Call Option BNP Paribas shares	204.0	395.0	(48 %)
Royal Park Investments	791.7	779.3	2 %
Tier 1 Instrument		793.5	*

Settlement with BNP Paribas and Fortis Bank on RPN(I) and Tier 1 instrument

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

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

- BNP Paribas called the Tier 1 instrument. As a result Ageas received on 26 March 2012 an amount of EUR 953 million. Since the value received by Ageas exceeded the book value as at that date, a non-recurring capital gain of EUR 129 million has been recorded (including interest of EUR 9 million, amortisation of a discount of EUR 30 million and after tax), the net impact in the first quarter amounts to **EUR 140 million.**
- In addition, Ageas paid BNP Paribas an indemnification for the partial settlement of the RPN/RPN(I) amounting to EUR 287 million at conversion on 26 March 2012. Furthermore, Ageas paid EUR 12 million due to costs related to the transaction, including the best estimate of the fair value of the annual indemnification (based on the assumption that the remaining CASHES will be exchanged within 2 years). As a result, the total indemnification amounted **EUR 299 million**.
- As the cash tender offer on the CASHES financial instrument reached an acceptance rate of 63%, approximately 37% of the CASHES remained outstanding. Therefore, the RPN(I) liability has been reduced, but remains in the accounts. The agreement with BNP Paribas on the settlement of the CASHES matures in 2014.Ageas reviewed the level 3 valuation of the RPN(I) and decided to include a floor in the valuation of the remaining RPN(I), corresponding to the indemnification agreed. The RPN(I) will be valued at the higher of the net discounted value of the expected interest payments and this floor. The amount of this floor depends on the expected purchase price of the CASHES and the price of the Ageas share at that moment. At 31 March 2012 the RPN(I) is valued at the value of the floor of EUR 163 million, thus resulting in a gain of **EUR 27 million** (i.e. the difference between the EUR 163 million floor and the RPN(I) value of EUR 190 million at the end of 2011).

For further details on the valuation of the RPN(I) we refer to the First Quarter 2012 Consolidated Interim Financial Statements.

Call option on the BNP Paribas shares

The call option on BNP Paribas shares decreased further in value in the first quarter of 2012. Despite an increase in share price from EUR 30.35 at the end of 2011 to EUR 35.58 at the end of March 2012, a significant decrease in volatility from 49% as at 31 December 2011 to 33% at the end of the first quarter in 2012 occurred in addition to the decreasing time value. As a result the value of the call option on the BNP Paribas shares came down as at 31 March 2012 to EUR 204 million, a decrease of EUR 191 million. For further details on the valuation methodology, we refer to note 19 of the First Quarter 2012 Consolidated Interim Financial Statements.

Royal Park Investments (RPI)

The 3M 12 result of RPI at 100% and before impairment of the goodwill amounted to EUR 306 million net profit (vs. EUR 493 million). Lower marked to market revaluations of the investment portfolio, compared to 3M 11 revaluations, and lower interest income due to higher funding costs related to the difficult US dollar Commercial Paper market drive the decrease.

At the end of each quarter, RPI performs an impairment test on the goodwill recognised under IFRS. Since all proceeds received are used to redeem the funding, and no new business can be generated, the goodwill needs to be impaired over the expected maturity of the portfolio. Based on the review in the first quarter of the expected business developments, a value in use of the total business was calculated, resulting in a goodwill impairment of EUR 55 million. RPI's net profit under IFRS, including impairment of goodwill, at 100%, as a result amounted to EUR 251 million positive or Ageas's share of EUR 112 million positive.

Ageas's equity associate in RPI increased from EUR 779 million end 2011 to EUR 894 million as at 31 March 2012, driven by the realised results and a movement of the hedge reserve due to the unwinding of a number of SWAPS and the amortisation of the gain on the sale of SWAPS in prior periods.

At the end of March 2012, the fair value of the loan portfolio remained stable at EUR 6.0 billion while total debt came down to EUR 5.5 billion. Total net interest payments and principal collections in 3M 2012 amounted to EUR 37 million and EUR 0.5 billion respectively.

For more information on RPI and its assets, please refer to www.royalparkinvestments.com.

Other items

The **net interest income** in the first quarter amounted to EUR 32 million positive. Included in this amount are the following legacy related items: the amortization of the discount on the Tier 1 Instrument (EUR 30 million) and the interest received on this instrument (EUR 9 million) and the interest cost of the RPN(I) of EUR 2 million. The remaining negative interest charge is explained by interest payments on the FRESH securities and the EMTN programme.

Total expenses amounted to EUR 12 million over the first quarter and are slightly up year on year.

Net cash position

The net cash position of the General Account as at 31 March 2012 comprises cash & cash equivalents of EUR 769 million, short-term bank deposits of EUR 760 million and adjusted for the remaining outstanding amount of EUR 217 million on the European Medium Term Notes (EMTN) programme, assuming full redemption. The net cash position has increased significantly in the first quarter of 2012, coming from EUR 688 million end 2011, to a position of EUR 1.3 billion as at 31 March 2012. The increase is related to the call of the Tier 1 Instrument, increasing the net cash position by EUR 953 million, reduced by the aforementioned indemnification of EUR 287 million related to the settlement of the RPN(I), or a net increase of EUR 666 milllion. As a result of the approval of the proposed dividend of EUR 0.08 per share at the Shareholders' meetings of 25 and 26 April, an estimated amount of EUR 0.2 billion will be paid out at the end of May and will reduce the net cash position consequently.

in EUR million	31 Mar 12	31 Dec 11
Cash and cash equivalents	769	345
Due from banks short term	760	600
Debt certificates	(217)	(257)
Net cash position	**1,312**	**688**

Contingent liabilities

See Executive Summary, page 4.

Investment portfolio and capital position

- **Net exposure to Southern European sovereigns at EUR 2.3 billion, down by EUR 0.7 billion - Greek exposure brought down to zero**

- **Insurance solvency stable at 207%; Group solvency ratio stable at 237%**

Investment portfolio

Ageas's investment portfolio at the end of March 2012 amounted to EUR 62.5 billion compared to EUR 59.5 billion at the end of 2011. The increase can largely be explained by the drop in yields essentially resulting from the drop in spreads on both sovereign and corporate portfolio. With respect to the asset mix, Ageas reduced its exposure to Southern Europe and increased its exposure to Belgium sovereign bonds by some EUR 3 billion during the first quarter of 2012.

The table below provides a breakdown of Ageas's investment portfolio. All assets are reported at fair value except for the *'Held to Maturity'* assets which are valued at amortized cost. As per 31 March 2012, the latter amounted to EUR 5.1 billion of which EUR 0.7 billion of Portuguese sovereign and corporate bonds, and EUR 4.4 billion Belgian sovereigns, reclassified in the course of 2011.

	in EUR billion		as %	
Investment portfolio plus real estate	**31 Mar 12**	**31 Dec 11**	**31 Mar 12**	**31 Dec 11**
Fixed Income securities	56.1	53.4	90%	90%
- Government debt securities	*33.8*	*31.5*	*54%*	*53%*
- Corporate debt securities	*21.8*	*21.4*	*35%*	*36%*
- Structured credit instruments	*0.5*	*0.5*	*1%*	*1%*
Equity securities	2.0	1.8	3%	3%
Real estate investment property	2.9	2.8	5%	5%
Real estate for own use	1.5	1.5	2%	2%
Total	**62.5**	**59.5**	**100%**	**100%**

Given the increase in liquidity and reduction in spreads of Southern European sovereigns, triggered by the LTRO programme, sponsored by the European Central Bank, Ageas decided to further reduce its Southern European sovereigns exposure during the course of the first quarter. The Greek sovereigns at fair value were reduced to a marginal amount of EUR 20 million at the end of 31 March 2012 from EUR 354 million at the end of 2011.

The equity portfolio increased to EUR 2.0 billion from EUR 1.8 billion end 2011. This is primarily explained by the rally observed in global equity markets during the first quarter.

Unrealized gains and losses on the total Available for Sale investment portfolio (including real estate) increased substantially in the first quarter to EUR 3.2 billion positive (vs. EUR 1.8 billion positive end 2011), mainly driven by the positive evolution of fixed income securities (EUR 1.3 billion) and equity securities (EUR 0.1 billion).

Fixed income portfolio

Investments in government bonds (Available for Sale and Held to Maturity) at fair value increased by EUR 2.3 billion to EUR 33.8 billion compared to the end of 2011. 95% of the total debt portfolio is investment grade and almost 87% of the portfolio is rated A or higher.

Divestments in Southern European sovereigns (Greece, Spain, Italy and Portugal) along with some of the core European countries (Netherlands and France) were primarily reinvested in Belgian bonds during the course of the quarter.The total gross sovereign exposure to Southern European countries ('Available for Sale' and 'Held to Maturity') as at 31 March 2012 at amortized cost and including impairments came down from EUR 4.5 billion end 2011 to EUR 3.6 billion. The total net exposure, taking into account non-controlling interests, on Southern European countries at amortized cost, including impairments came down to EUR 2.3 billion (vs. EUR 3 billion end 2011).

Unrealised gains on the total 'Available for Sale' bond portfolio amounted to EUR 1.9 billion positive, compared to EUR 0.6 billion positive at the end of 2011. The change can mainly be attributed to the drop of yields of sovereign and corporate bonds during the quarter. Unrealized gains on corporate bonds amounted to EUR 940 million compared to EUR 432 million at end of 2011. The quality of the corporate bond portfolio remained very high with 94% of the corporate bond portfolio classified as investment grade and of which 80% is rated A or higher. Unrealised gains on sovereign bonds went up by EUR 800 million to EUR 1.0 billion, driven mainly by Italian and Belgian sovereigns.

Equities portfolio

The equities investments at fair value increased from EUR 1.8 billion at the end of 2011 to EUR 2.0 billion. Gross unrealized gains increased to EUR 90 million, compared to a nearly breakeven situation at the end of 2011. Equities still accounted for about 3% of the total investment portfolio.

Real estate portfolio

Ageas's real estate portfolio at fair value remained relatively stable at EUR 4.4 billion with a marginal increase of EUR 80 million during the first quarter of the year. The amortized cost value on 31 March 2012 amounted to EUR 3.1 billion, broken down into EUR 2.1 billion of "investment property" and EUR 1.0 billion in "buildings held for own use". Gross unrealized capital gains during the quarter remained stable at around EUR 1.2 billion. Unrealized gains are not reflected in net equity, as real estate exposure is booked at amortised cost.

Capital position

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

Analyst & Investor conference call :
14 May 2012 at 09.30 CET (08.30 UK time)

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The forward-looking statements are no guarantee of future performance and involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond Ageas's ability to control or estimate precisely, such as future market conditions and the behaviour of other market participants. Other unknown or unpredictable factors beyond the control of Ageas could also cause actual results to differ materially from those in the statements and include but are not limited to the consent required from regulatory and supervisory authorities and the outcome of pending and future litigation involving Ageas. Therefore undue reliance should not be placed on such statements. Ageas assumes no obligation and does not intend to update these statements, whether as a result of new information, future events or otherwise, except as required pursuant to applicable law.

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Annexes

Please note that the historical segment information and key performance indicators by segment have been removed from the press release. They have been added to the quarterly results Excel-workbook, downloadable on http://www.ageas.com/en/Pages/quarterlyresults.aspx.

Annex 1 : Consolidated Statement of financial position as per 31 March 2012

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

Annex 2 : Income Statement

	3M 12	3M 11	Change
Income			
- *Gross premium income*	*2,643.7*	*2,617.0*	*1 %*
- *Change in unearned premiums*	*(139.1)*	*(267.1)*	*(48 %)*
- *Ceded earned premiums*	*(89.1)*	*(80.2)*	*11 %*
Net earned premiums	*2,415.5*	2,269.7	6 %
Interest, dividend and other investment income	779.4	750.6	4 %
Unrealised gain (loss) on Call option BNP Paribas shares	(191.0)	2.0	*
Unrealised gain (loss) on RPN(I) (incl. settlement on RPN(I)/CASHES)	(270.7)	(257.0)	5 %
Result on sales and revaluations	223.0	60.6	*
Investment income related to unit-linked contracts	780.7	118.6	*
Share of result of associates	147.3	16.0	*
Fee and commission income	103.9	113.6	(9 %)
Other income	54.7	50.3	9 %
Total income	**4,042.8**	**3,124.4**	**29 %**
Expenses			
- *Insurance claims and benefits, gross*	*(2,442.8)*	*(2,355.0)*	*4 %*
-- *Insurance claims and benefits, ceded*	*35.2*	*50.1*	*(30 %)*
Insurance claims and benefits, net	(2,407.6)	(2,304.9)	4 %
Charges related to unit-linked contracts	(771.7)	(117.2)	*
Finance costs	(68.5)	(78.8)	(13 %)
Change in impairments	(19.6)	(6.2)	*
Change in provisions	(0.9)	0.4	*
Fee and commission expense	(308.1)	(302.7)	2 %
Staff expenses	(195.1)	(180.0)	8 %
Other expenses	(200.9)	(192.3)	4 %
Total expenses	**(3,972.4)**	**(3,181.7)**	**25 %**
Result before taxation	**70.4**	**(57.3)**	*****
Income tax expenses	(106.5)	(51.6)	*
Net result for the period	**(36.1)**	**(108.9)**	**(67 %)**
Attributable to non-controlling interests	47.7	44.7	7 %
Net result attributable to shareholders	**(83.8)**	**(153.6)**	**(45 %)**
Per share data (EUR)			
Basic earnings per share	(0.04)	(0.06)	
Diluted earnings per share	(0.04)	(0.06)	

Annex 3 : Comparable inflows data

By segment *in EUR million*	3M 12	3M 11	%
Belgium			
Gross written premiums	*1,206*	*1,222*	*(1%)*
Investment contracts without DPF	*53*	*88*	*(40%)*
Gross inflow Life	**1,259**	**1,311**	**(4%)**
Gross written premiums Non-Life	**535**	**511**	**5%**
Total inflow Belgium	**1,794**	**1,822**	**(2%)**
United Kingdom			
Gross written premiums	*18*	*10*	*75%*
Investment contracts without DPF	*-*	*-*	*
Gross inflow Life	**18**	**10**	**75%**
Gross written premiums Non-Life	**534**	**471**	**13%**
Total inflow United Kingdom	**552**	**481**	**15%**
Continental Europe			
Gross written premiums	*176*	*232*	*(24%)*
Investment contracts without DPF	*93*	*437*	*(79%)*
Gross inflow Life	**269**	**669**	**(60%)**
Gross written premiums Non-Life	**118**	**120**	**(1%)**
Total inflow consolidated entities	**387**	**789**	**(51%)**
Non-consolidated partnerships at 100%	**741**	**-**	*
Total inflow Continental Europe	**1,128**	**789**	**43%**
Asia			
Gross written premiums	*57*	*51*	*12%*
Investment contracts without DPF	*31*	*24*	*31%*
Gross inflow Life	**88**	**75**	**18%**
Gross written premiums Non-Life	**-**	**-**	*
Total inflow consolidated entities	**88**	**75**	**17%**
Non-consolidated partnerships at 100%	**2,089**	**1,665**	**25%**
Total inflow Asia	**2,177**	**1,740**	**25%**
Total inflow	**5,651**	**4,832**	**17%**

By type *in EUR million*	3M 12	3M 11	%
Life			
Belgium	**1,259**	**1,311**	**(4%)**
United Kingdom	**18**	**10**	**80%**
Continental Europe	**853**	**669**	**28%**
Fully consolidated	*269*	*669*	(60%)
Non-consolidated partnerships at 100%	*584*	-	*
Asia	**1,961**	**1,612**	**22%**
Fully consolidated	*88*	*75*	*17%*
Non-consolidated partnerships at 100%	*1,873*	*1,537*	*22%*
Total inflow Life	**4,091**	**3,602**	**14%**
Non-Life			
Belgium	**535**	**511**	**5%**
United Kingdom	**534**	**471**	**13%**
Continental Europe	**275**	**120**	*
Fully consolidated	*118*	*120*	*(2%)*
Non-consolidated partnerships at 100%	*157*	-	*
Asia	**216**	**128**	**69%**
Fully consolidated	-	-	*
Non-consolidated partnerships at 100%	*216*	*128*	*69%*
Total gross written premiums Non-Life	**1,560**	**1,230**	**27%**
Total inflow	**5,651**	**4,832**	**17%**

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Annex 4 : Inflows per region

Key Figures per region *in EUR million*	% ownership	Gross inflow Life 3M 12	Gross inflow Life 3M 11	Gross written premiums Non- Life 3M 12	Gross written premiums Non- Life 3M 11	Total 3M 12	Total 3M 11
Belgium	75%	**1,259**	**1,311**	**535**	**511**	**1,794**	**1,822**
United Kingdom	100%	**18**	**10**	**534**	**471**	**552**	**481**
Continental Europe		***853***	***669***	***275***	***120***	***1,128***	***789***
Consolidated entities		***269***	***669***	***118***	***120***	***387***	***789***
Portugal	51%	186	368	70	68	256	436
France	100%	83	89			83	89
Luxembourg	50%		202				202
Germany	100%		10				10
Italy	25%			48	52	48	52
Non-consolidated partnerships at 100%							
Turkey (AKSigorta)	35%			157		157	
Luxembourg (Cardif Lux Vie)	33%	584				584	
Asia		***1,961***	***1,612***	***216***	***128***	***2,177***	***1,740***
Consolidated entities		***88***	***75***			***88***	***75***
Hong Kong	100%	88	75			88	75
Non-consolidated partnerships at 100%							
Malaysia	31%	170	140	170	96	340	236
Thailand	31%/15%	278	212	46	32	324	244
China	25%	1,385	1,140			1,385	1,140
India	26%	40	45			40	45
Grand Total		**4,091**	**3,602**	**1,560**	**1,230**	**5,651**	**4,832**

Annex 5 : Solvency by region

Key Capital Indicators	31 Mar 12	31 Dec 11
Belgium		
Shareholders' equity	2,922	2,381
Total available capital	4,061	3,940
Minimum solvency requirements	2,300	2,263
Amount of total capital above minimum solvency requirements	1,761	1,677
Total solvency ratio	177%	174%
United Kingdom		
Shareholders' equity	1,024	1,007
Total available capital	863	858
Minimum solvency requirements	378	367
Amount of total capital above minimum solvency requirements	485	491
Total solvency ratio	228%	234%
Continental Europe		
Shareholders' equity	1,023	929
Total available capital	1,145	973
Minimum solvency requirements	572	565
Amount of total capital above minimum solvency requirements	573	408
Total solvency ratio	200%	172%
Asia		
Shareholders' equity	1,666	1,687
Total available capital	1,301	1,291
Minimum solvency requirements	457	442
Amount of total capital above minimum solvency requirements	844	849
Total solvency ratio	285%	292%
Consolidation adjustment total available capital	316	467
Total Insurance		
Shareholders' equity	6,635	6,004
Total available capital	7,686	7,529
Minimum solvency requirements	3,707	3,637
Amount of total capital above minimum solvency requirements	3,979	3,892
Total solvency ratio	207%	207%
General Account (after eliminations)		
Shareholders' equity	1,669	1,756
Total available capital	1,111	1,095
Total solvency ratio Ageas	237%	237%

Annex 6 : Statement of financial position split into Life, Non-Life and Other Insurance

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

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Annex 7: Income Statement split into Life, Non-Life and Other Insurance

3M 12	Life	Non-life	Other Insurance	General Account	Eliminations	Total
Income						
- *Gross premium income*	*1,457.2*	*1,186.6*			*(0.1)*	*2,643.7*
- *Change in unearned premiums*		*(139.1)*				*(139.1)*
- *Ceded earned premiums*	*(30.6)*	*(58.5)*				*(89.1)*
Net earned premiums	1,426.6	989.0			(0.1)	2,415.5
Interest, dividend and other investment income	654.7	64.1	(3.8)	82.3	(17.9)	779.4
Unrealised gain (loss) on Call option BNP Paribas shares				(191.0)		(191.0)
Unrealised gain (loss) on RPN(I) (incl. settlement on RPN(I)/CASHES)				(270.7)		(270.7)
Result on sales and revaluations	78.0	23.1		121.9		223.0
Income related to investments for unit-linked contracts	780.7					780.7
Share of result of associates	29.9	5.0		112.4		147.3
Fee and commission income	66.6	7.1	43.8		(13.6)	103.9
Other income	19.9	19.3	23.1	0.8	(8.4)	54.7
Total income	**3,056.4**	**1,107.6**	**63.1**	**(144.3)**	**(40.0)**	**4,042.8**
Expenses						
- *Insurance claims and benefits, gross*	*(1,711.1)*	*(731.8)*			*0.1*	*(2,442.8)*
- *Insurance claims and benefits, ceded*	*20.3*	*14.9*				*35.2*
Insurance claims and benefits, net	(1,690.8)	(716.9)			0.1	(2,407.6)
Charges related to unit-linked contracts	(771.7)					(771.7)
Finance costs	(29.6)	(4.1)	(2.8)	(49.9)	17.9	(68.5)
Change in impairments	(16.2)	(3.4)				(19.6)
Change in provisions	0.4	(0.2)		(1.1)		(0.9)
Fee and commission expenses	(119.5)	(202.1)		(0.1)	13.6	(308.1)
Staff expenses	(90.2)	(74.7)	(26.6)	(3.6)		(195.1)
Other expenses	(112.5)	(55.8)	(29.3)	(11.7)	8.4	(200.9)
Total expenses	**(2,830.1)**	**(1,057.2)**	**(58.7)**	**(66.4)**	**40.0**	**(3,972.4)**
Result before taxation	**226.3**	**50.4**	**4.4**	**(210.7)**		**70.4**
Tax income (expenses)	(63.2)	(14.1)	(1.3)	(27.9)		(106.5)
Net result for the period	**163.1**	**36.3**	**3.1**	**(238.6)**		**(36.1)**
Attributable to non-controlling interests	37.6	10.1				47.7
Net result attributable to shareholders	**125.5**	**26.2**	**3.1**	**(238.6)**		**(83.8)**
Total income from external customers	3,048.4	1,106.6	27.3	(139.4)		4,042.9
Total income internal	8.0	1.0	35.8	(4.9)	(40.0)	(0.1)
Total income	**3,056.4**	**1,107.6**	**63.1**	**(144.3)**	**(40.0)**	**4,042.8**
Non-cash expenses (excl. depreciation & amortisation)	(69.9)	(6.2)	(1.3)			(77.4)

3M 12	Life	Non-life	Other Insurance	General Account	Eliminations	Total
Gross premium income	1,457.2	1,186.6			(0.1)	2,643.7
Inflow deposit accounting	177.0					177.0
Gross inflow	**1,634.2**	**1,186.6**			**(0.1)**	**2,820.7**