



PRESS RELEASE

Brussels/Utrecht, 9 March 2011

Full year results 2010

Sustained Insurance performance in a volatile environment

- Gross inflows at EUR **17.9 billion**, +14%
- Insurance net profit of EUR **391 million**, - 23% due to scope changes and a non-recurring tax benefit in 2009
- Funds under management at EUR **78.1 billion**, +7%
- Embedded Value at EUR **4.8 billion**, -8%; VANB at EUR 66 million, -4%

Positive Group net result of EUR 223 million including MCS-related charge

- General Account **net loss of EUR 168 million**; EUR 203 million charge related to MCS conversion and legal disputes with Dutch State; no impact on shareholder's equity
- Shareholders' equity at EUR 8.2 billion or EUR **3.19 per share**
- Total solvency ratio Insurance at **227%**, 234% end 2009

Proposed cash dividend unchanged at 8 eurocent per share

CEO Bart De Smet said:

"In its first entire year of operation as an insurer, Ageas has continued to deliver against its strategic objectives. We experienced a strong commercial performance across all regions but particularly in Asia and the UK. While the financial performance of our Insurance activities was resilient, it remained overall short of our expectations and financial targets. In line with our strategic plan, good progress has been made both in streamlining and strengthening our Insurance portfolio and in simplifying our legal structure. The financial markets have continued to feel the fall-out from the financial crisis, with the focus of attention turning to certain European sovereigns. In this context we rebalanced our investment portfolio, reducing the overall concentration risk while seeking out attractive yields and ways to sustain future profitability but remain exposed to current uncertainties. In Non-Life, we took action to increase the profitability of our operations, which were hampered by the impact of extreme weather conditions at various times during the year. Overall, Ageas expects the commercial performance to be at least in line with 2010 and an improved financial performance barring significant events outside our control.

Ageas's 2010 net Group result includes a negative non-cash charge related to the legal disputes with the Dutch State in particular the MCS. At shareholders' equity level, a capital increase for a similar amount neutralized the charge taken. However, we also recognized the original EUR 2 billion claim against ABN AMRO but have chosen for a prudent accounting and have subsequently provisioned the disputes awaiting further evolutions. Meanwhile we will continue to forcefully defend the company in the various outstanding legacy issues, as illustrated in the recent Fresh judgment. However this will not distract us from operating our core business and from improving our business results. Our capital position remains solid and fundamentally sound allowing us to resist significant shocks. We are committed to manage our capital in a disciplined way, ensuring long term value creation.

Ageas proposes a dividend over 2010 payable in cash of 8 eurocent per share, corresponding to a payout ratio of 50% of the net result of its Insurance activities. This proposal is in line with the dividend policy announced at the end of 2009."

Your partner in Insurance

in EUR million

	FY 10	FY 09**	H2 10	H2 09	H1 10
Net profit Insurance before non-controlling interests	533.5	626.1	301.7	331.0	231.8
- Belgium	355.0	435.1	236.2	229.4	118.8
- UK	(23.4)	13.2	(30.3)	(7.6)	6.9
- Continental Europe	108.4	87.2	69.4	47.8	39.0
- Asia	93.5	90.6	26.4	61.4	67.1
Net profit Insurance attributable to shareholders	391.3	505.0	210.8	244.6	180.5
- Belgium	263.5	366.4	175.6	171.0	87.9
- UK	(16.8)	13.7	(25.1)	(7.1)	8.3
- Continental Europe	51.1	34.3	33.9	19.3	17.2
- Asia	93.5	90.6	26.4	61.4	67.1
Net profit General Account (incl. eliminations)	(168.2)	704.8	(442.7)	69.4	274.5
- Net profit General Account excl. value call option	102.8	123.8	(292.7)	(29.6)	395.5
Net profit attributable to shareholders	223.1	1,209.8	(231.9)	314.0	455.0
- Net profit attributable to shareholders excl. value call option	494.1	628.8	(81.9)	215.0	576.0
Funds under management (in EUR bn)	78.1	73.0	78.1	73.0	76.0
Operating cost Life/FUM Life ratio	0.53%	0.59%	0.53%	0.59%	0.52%
Combined ratio	107.3%	103.8%	108.7%	104.3%	105.8%
Total solvency ratio Insurance	227%	234%	227%	234%	226%
Weighted average number of ordinary shares (in million)	2,482	2,475	2,502	2,475	2,475
Earnings per share (in EUR)	0.09	0.49	(0.09)	0.13	0.18
- Earnings per share excl. value call option (in EUR)	0.20	0.24	(0.03)	0.08	0.23
Shareholders' equity	8,247	8,431	8,247	8,431	9,153
- Shareholders' equity excl. value call option	7,638	7,850	7,638	7,850	8,394
Net equity per share (in EUR)	3.19	3.41	3.19	3.41	3.70
- Net equity per share excl. value call option (in EUR)	2.96	3.17	2.96	3.17	3.39
Dividend per share (in EUR)	0.08	0.08			
Return on equity *	2.5%	15.3%	2.5%	15.3%	8.8%
- Return on equity per share excl. value call option	2.7%	8.0%	2.7%	8.0%	9.8%

* Return on equity calculated on the basis of a 12-months profit and a 4-period net equity rolling average; Previous half years calculated as a rolling average based on 6-months net profit - ** 2009 results restated following introduction new Group reporting structure & changed accounting principles in China

PRESS RELEASE

09 March 2011

Full Year Results 2010

More information:

INVESTOR RELATIONS

Frank Vandendorre

+32 (0)2 557 57 33

frank.vandendorre@ageas.com

Koen Devos

+32 (0)2 557 57 35

koen.a.devos@ageas.com

PRESS

Kathleen Steel

+32 (0)2 557 57 37

kathleen.steel@ageas.com

Content

Executive summary	3
Insurance	3
General Account	8
Group	10
Details by business segment	11
◆ Belgium	12
◆ United Kingdom	16
◆ Continental Europe	19
◆ Asia	23
◆ Embedded Value and Value Added New Business	26
◆ General Account	28
◆ Investment portfolio and capital position	34
Disclaimer	39
Annexes	40
Annex 1: Consolidated Statement of financial position as per 31 December 2010	40
Annex 2: Income Statement	41
Annex 3: Key performance indicators	42
Annex 4: Full year data per segment	46
Annex 5: Comparable inflow data	51
Annex 6: Inflows per region	53

Executive summary

Ageas's 2010 results are marked by solid growing inflow levels, driven by an excellent first half of the year, and encouraging Insurance net results despite the turbulent economic environment and the adverse weather conditions throughout the year. A comparison with the net result performance in 2009 is difficult because of the changed scope and a positive non-recurring tax impact in 2009. The Group net result amounts to EUR 223 million and breaks down into a net Insurance profit of EUR 391 million and a net negative result of the General Account of EUR 168 million. The latter includes a net non-cash charge of EUR 203 million under IFRS related to the conversion of the Mandatory Convertible Securities (MCS) and the legal disputes with the Dutch State. The charge is based on the number of shares created following the conversion of the MCS multiplied by the Ageas's opening share price at conversion date (7 December 2010). At the same time Ageas has recognised the claim of EUR 2 billion on ABN AMRO. Subsequently it provisioned EUR 2.4 billion for legal disputes with the Dutch State. The disputes originate from the sale of the Dutch banking and insurance activities to the Dutch State, and comprise the claim of Ageas on ABN AMRO Bank N.V. related to the MCS and FCC (Fortis Capital Company) transactions contested by the Dutch State and ABN AMRO N.V. as well as the alleged so called 'equity warranty' claim of the Dutch State. At the level of shareholders' equity the net negative result is offset by a capital increase for the same amount following the MCS conversion. Total shareholders' equity declined slightly compared to 2009. Shareholders' equity per share includes the dilution impact of the higher amount of outstanding shares following the conversion of the MCS.

Ageas will propose a gross dividend in cash for 2010 of EUR 8 eurocent per share which corresponds to a pay-out ratio of 50% of the net result of the Insurance operations. This decision is in line with Ageas's dividend policy to pay 40 to 50% of the net annual result of the Insurance operations.

Insurance

Resilient Life results, Non-Life affected by weather events

Ageas's Insurance **net profit after non-controlling interests** amounted to EUR 391 million compared to EUR 505 million in 2009. As a result of the introduction of the new reporting structure in 2010 and the implementation of the new local accounting principles in China, the 2009 net Group result and the net Insurance result has been restated from EUR 1,192 million and EUR 456 million respectively to EUR 1,210 million and EUR 505 million. The difference in Insurance relates to the positive impact of EUR 18 million following the applied change in accounting principles in China and a reallocation of regional costs from the Insurance operations to the General Account (EUR 31 million).

The lower 2010 net Insurance result is due to non-controlling interests in Belgium being EUR 23 million higher, following the acquisition of a 25% stake by Fortis Bank in AG Insurance in May 2009 and the non-recurring positive tax impact of EUR 94 million included in the 2009 net result. The combined impact explains to a large extent the negative variance between the 2010 and 2009 net result.

The 2010 net result breaks down into a net profit of EUR 264 million in Belgium, EUR 51 million in Continental Europe and EUR 93 million in Asia while the UK operations ended the year with a net loss of EUR 17 million. The Life activities contributed a solid EUR 377 million to the net result, while Non-Life activities ended the year close to breakeven at EUR 2 million. Other Insurance, which includes the UK distribution operations, reported a net profit of EUR 12 million. The Non-Life performance suffered from the severe weather conditions in the early and the last part of the year resulting in an overall non-recurring negative impact of EUR 74 million of which EUR 49 million was in the UK and EUR 25 million in Belgium. Overall and thanks to a number of compensating restructuring actions across the year, the net financial impact on both the Life and Non-Life operations stemming from the difficult financial markets has been less important in 2010 compared to 2009.

The **second half net result** after non-controlling interests amounted to EUR 211 million compared to EUR 180 million in the first half year. A higher net result in Belgium and in Continental Europe, more than compensated for the lower positive contribution from Asia. In the UK, the second half ended with a negative net result of EUR 25 million: besides the negative impact of the weather related events, the Life protection business suffered from an impairment charge on a receivable having a net impact on result of EUR 5 million. The Belgian operations benefited from a EUR 55 million capital gain realized on an additional asset reallocation in the third quarter. In Continental Europe the Portuguese partnership recorded a significant higher result as strengthened liabilities drove down net result in the first six months. The Asian operations were positively impacted in the first half by a capital gain of EUR 35 million on the sale of real estate in Hong Kong partially offset by an impairment of EUR 14 million in China due to lower equity markets. The second half net result included among others an additional non-recurring charge of EUR 10 million related to the reserve strengthening in Hong Kong.

The overall **net Life profit** in 2010 was resilient at EUR 377 million for 2010 compared to 416 million in 2009, with the latter benefiting from the above mentioned lower non-controlling interests and a one-off tax recovery. Intrinsicly the Life operating margin and net profit before tax progressed in 2010, especially in Belgium, on the back of the lower negative impact of the financial markets. 2010 indeed benefited from a total positive impact of EUR 28 million following various restructuring operations on its investment portfolio across the year while the overall negative impact of the financial markets in 2009 amounted to EUR 67 million. The 2010 impact breaks down into a capital loss of EUR 29 million) following the significant sale of Southern European government bonds in May 2010, a EUR 26 million capital gain on the sale of real estate in June and a EUR 31 million capital gain on an additional reallocation of government bonds in the third quarter. Capital gains were also realized in Asia and Continental Europe, among others through the sale of the Fortis Centre in Hong Kong end of May (see above).

The **Non-Life net result** declined to EUR 2 million compared to EUR 75 million in 2009. The Non-Life net result deterioration in 2010 was mainly driven by extremely severe weather conditions throughout the year in the UK and in Belgium negatively impacting net profit by EUR 74 million. The various impacts of the restructuring of the investment portfolio in Belgium offset each other across the year: a net capital loss in the first half of EUR 23 million was offset by a capital gain of EUR 24 million in the second half year. This was also reflected in the net result: EUR 6 million negative in the first half and EUR 8 million positive in the second half.

The **Group combined ratio** end 2010 deteriorated to 107.3% vs. 103.8% for 2009. In Belgium, the combined ratio worsened from 103.2% to 107.4% in 2010, and in the United Kingdom from 108.1% to 109.5% in 2010. Excluding Workmen's Compensation the Group combined ratio at year end was 105.7% compared to 103.4% end 2009.

In both markets the severe weather conditions had a negative impact on the overall operating performance in Fire and Motor. The multi-branch reinsurance protection in Belgium nor earlier taken corrective actions such as tariff increases could entirely offset this. In the UK the weather events hit mainly Fire with the operating performance in Motor improving as a result of the actions taken and a positive current year's claim evolution. In addition, AG Insurance in Belgium was confronted with an increased number of permanent disability claims in its Workmen's Compensation business line which especially weighed on the performance in the first half.

The segment **Other Insurance**, including the UK retail operations, contributed EUR 12 million (vs. EUR 14 million in 2009). The acquired activities of Kwik Fit Insurance Services (KFIS) started to contribute to the net result as of August and generated a net profit of EUR 3.5 million, including amortisation of intangible assets of EUR 2.9 million. In addition, one-off acquisition costs had a negative impact of EUR 5.0 million.

Steady growing inflow levels both in Life and Non-Life

Total gross inflows in 2010, including EUR 5.7 billion from the Asian non-consolidated partnerships on a 100% basis (+53%), amounted to EUR 17.9 billion, up 14% compared to last year but fairly stable in the consolidated entities. At constant exchange rates, inflows would have grown 11% on last year. Life inflows amounted to EUR 14.2 billion, up 11% while gross written premiums in Non-Life increased 23% to EUR 3.7 billion. Inflows in the consolidated entities amounted to EUR 12.2 billion, almost stable on the previous year.

The inflow levels were marked by significant and robust growth across Asia, with China and Malaysia excelling (+55% and +42% respectively) and in the United Kingdom (+32%). In Belgium and Continental Europe inflow levels remained stable or were slightly down, the latter being driven specifically by the difficult market environment in Portugal. However, Ageas was able to maintain or even strengthen its market position across all its segments.

Second half inflows amounted to EUR 8.3 billion compared to EUR 9.6 billion in the first half (-16%). The UK operations benefited from the positive impact of the start-up of Tesco Underwriting while the inflows in Continental Europe and Asia slowed down somewhat. In Continental Europe, this relates to Portugal marked by a low appetite for unit-linked products and a deliberate strategy around the sale of traditional savings products while in Asia inflow levels grew according to expectations including the anticipation that similar growth to that in the first half would not be continued.

Life inflows, including non-consolidated partnerships at 100%, reached EUR 14.2 billion, up 11% on last year. Growth is mainly realised in Asia (+51%) from the non-consolidated partnerships. Growth is well spread across the region with China being the strongest growth engine in absolute terms and India even doubling inflows. In Continental Europe, the recovery of the Luxembourg and French operations was more than offset by the weaker performance in Portugal, especially in the second half. In Belgium, inflows at AG Insurance declined 5%, in line with the trend observed in the first half. Lower inflow levels in Life via the bank channel were not entirely compensated for by higher volumes through the broker channel.

Sales of traditional and savings products in 2010, which represent 72% of total Life inflow, was up 21% while unit-linked decreased by 10%. The growth of traditional and savings is mainly driven by Asia (+53%), due to the successful single premium campaigns in bancassurance. The decline in unit-linked is related to Continental Europe (-16%), reflecting market circumstances.

In **Non-Life** gross written premiums amounted to EUR 3.7 billion, up 23%, driven by growth across all segments. Both the operations in the United Kingdom and Continental Europe were fuelled by the start-up of new partnerships or activities in the course of 2010. The UK operations grew 31% to EUR 1.2 billion, with Tesco Underwriting taking off mid October and having a successful start. At the same time Commercial lines continued to develop well alongside Personal lines in the UK. In Continental Europe, total inflows increased 88% up to EUR 444 million, mainly thanks to the consolidation of the inflows from the Italian partnership (EUR 213 million) since the beginning of 2010. The growth in Asia related mostly to Malaysia (+38%). Finally, in Belgium, inflows amounted to EUR 1.6 billion, up 5% on 2009.

Total funds under management of the consolidated entities and including Non-Life, amounted to EUR 78.1 billion compared to EUR 73.0 billion end 2009. **Life funds under management** in the consolidated activities increased across all segments and amounted to EUR 72.7 billion up 6% on end 2009 and 3% on June 2010, as a result of net intakes and accruals. Life funds under management of the non-consolidated partnerships (Asia) were up more than 50% to EUR 15.5 billion, including the impact of the weakening of the euro. **Non-Life funds under management** increased 11% from EUR 4.8 billion end 2009 to EUR 5.4 billion end 2010.

Embedded Value impacted by higher spreads on sovereign debts

The embedded value end 2010 amounted to EUR 4.8 billion compared to a restated embedded value 2009 of EUR 5.2 billion. The impact of the (European) Sovereign Debt crisis on the 2010 Embedded Value is EUR 0.9 billion. This decrease is partly compensated by the effects of modelling enhancements and further fine-tuning of the assumptions underlying the calculation for EUR 0.5 billion.

The intake of business (Present Value of New Business Premiums) during 2010 has increased modestly compared to 2009, from EUR 5.5 billion in 2009 to EUR 5.6 billion in 2010, primarily driven by AG Insurance in Belgium.

Value Added by New Business (VANB) came down to EUR 66 million compared to EUR 69 million as at 31 December 2009. The decrease is the result of lower margins in the savings and traditional products.

Investment portfolio rebalanced across the year

Ageas's investment portfolio available for sale and including real estate at fair value as at 31 December 2010 increased from EUR 56.4 billion end 2009 to EUR 59.8 billion driven by new inflows. The overall composition by asset classes slightly changed compared to end 2009 with an increase of the investment in equity securities from 3 to 4%, i.e. from EUR 1.6 billion end 2009 to EUR 2.3 billion end 2010. More than 90% remains invested in fixed income securities and 6% in real estate. 97% of the total fixed income portfolio is investment grade and about 92% is rated A or higher.

End 2010 corporate bonds increased from EUR 16.7 billion end 2009 to EUR 20.4 billion¹ (EUR 20.9 billion at fair value) or 38% of the total fixed income securities. Government bonds represented EUR 32.8 billion end 2010 vs. EUR 32.6 billion end 2009 at amortized cost or EUR 32.3 billion vs. EUR 33.4 billion end 2009 at fair value. In the context of the uncertain European financial markets Ageas took a number of measures to restructure the concentration risk on Southern European sovereign bonds whereby the assets have been redeployed into sovereign bonds of other European countries, corporate bonds and equities. The assets were also partly invested short term pending a more final investment decision. Thanks to a number of additional reallocation operations with respect to sovereign bonds and real estate later during the year, Ageas was able to limit the negative impact on the 2010 net result.

Gross unrealized capital gains on the total bond portfolio evolved from EUR 1.5 billion end 2009 to EUR 49 million negative end 2010. Ageas reported an unrealized loss on its sovereign bond portfolio of EUR 0.5 billion compared to an unrealized gain of EUR 0.9 billion end 2009. This drop relates to interest rate spread widening especially in the last part of 2010, adversely impacting the unrealized gains on sovereign bonds in nearly all countries in which Ageas has invested. Unrealized gains on corporate bonds amounted to EUR 0.5 billion end 2010.

As of 31 December 2010 Ageas had a total gross sovereign exposure on the Southern European countries of EUR 7.9 billion based on fair value or EUR 8.9 billion at amortized cost.

This amount can be broken down as follows:

- ◆ Greece: EUR 1.2 billion at fair value or EUR 1.8 billion at amortized cost
- ◆ Portugal: EUR 1.5 billion at fair value or EUR 1.7 billion at amortized cost
- ◆ Italy: EUR 3.6 billion at fair value or EUR 3.7 billion at amortized cost
- ◆ Spain: EUR 1.6 billion at fair value or EUR 1.7 billion at amortized cost

In addition, the gross exposure to Ireland amounts to EUR 0.6 billion at amortized cost.

The vast majority of the Portuguese sovereign bonds are held by Millenniumbcp Ageas. Taking into account the minority stakes held by Ageas's partners especially in Belgium and Portugal, the sovereign exposure on Southern Europe, reduces to EUR 6.0 billion.



¹ At amortized cost

Within its corporate bond portfolio, Ageas has a gross exposure on banks and financials of EUR 8.8 billion², of which 99% is investment grade and almost 90% with an A rating or higher. Investments in hybrid securities amounted to EUR 0.8 billion, all investment grade as well with some 70% having a Tier-2 status or a subordinated character. As per 31 December 2010, Ageas has no single position in its investment portfolio on European financials of more than EUR 0.5 billion. In addition, the corporate bond portfolio includes EUR 7.4 billion of government related corporate bonds and corporate bonds issued by supra-national institutions such as the European Investment Bank.

In the course of 2010 Ageas undertook a review of its target asset mix. The exercise led to the decision to make an adjustment to the percentages allowed in corporate debt vs. sovereign debt securities. The new target asset mix would aim for higher investments in corporate debt and lower investments in sovereign bonds and assimilated, as such not changing the total percentage of fixed income securities compared to equity securities and real estate. Less than 1% remains allocated to alternative asset classes.

Investments in real estate at fair value increased to EUR 3.9 billion (+6%) at the end of 2010. They are accounted at amortized cost, not including a gross unrealized capital gain of EUR 1.0 billion. End 2010, AG Real Estate, AG Insurance's 100% subsidiary, had assets under management for a total amount of EUR 5.3 billion including EUR 1.4 billion on behalf of third parties and EUR 1.0 billion of securities.



² At fair value

General Account

The **General Account** segment reported a net loss of EUR 168 million for 2010, including a net non-cash charge of EUR 203 million under IFRS³ related to the conversion of the Mandatory Convertible Securities (MCS) financial instrument and to the legal disputes with the Dutch State.

The charge corresponds to the fair value of the liability for the MCS, calculated as the contractually foreseen number of shares issued (106,723,569) multiplied by Ageas's opening share price of EUR 1.90 at conversion date, i.e. 7 December 2010. At the same time a claim of Ageas on ABN AMRO has been recognised for an amount of EUR 2 billion, based on the original agreement between all issuing parties of the MCS. Lastly a provision of EUR 2.4 billion has been recorded in order to cover the legal disputes with the Dutch State while the impairment related to the Fortis Capital Company (FCC) receivable of EUR 0.4 billion has been released. The provision covers the disputes with the Dutch State concerning the ownership of the MCS and the FCC claim as well as the alleged so called 'equity warranty' claim. The impact of the non-cash net charge on the General Account's equity has been neutralized by a capital increase for the same amount following the issuance of the 106.7 million shares at conversion date.

Following the liquidation of Brussels Liquidation Holding (previously Fortis Brussels sa/nv), Ageas has recognized in the course of 2010 deferred tax assets totalling EUR 405 million, among others offsetting the deferred tax liabilities previously recognized on the value of the call option on the BNP Paribas shares. However, the periodic revaluation of the call option on the BNP Paribas shares resulted in a value of EUR 609 million end 2010 compared to EUR 880 million end 2009. This decrease is driven by a lower BNP Paribas' share price and a higher dividend yield. With respect to the execution of the call option, Ageas took the decision in the course of the year to shift in principle to a gradual exercise strategy based on a disciplined methodology. As a result

◆◆◆

³ The capital increase following the conversion of the MCS financial instrument into 106.7 million Ageas shares is recognized based on IFRS in the statutory accounts of ageas N.V. (EUR 101million) and in the consolidated accounts of Ageas (EUR 203 million). The amount is based on the fair value of the MCS at that moment. In the statutory accounts of ageas SA/NV the conversion has been recorded under B-GAAP based on the original agreement (EUR 1.0 billion).

Ageas decided to abandon a discount on the volatility assumption used for valuing the call option.

The fair value of the RPN(I) liability has moved from EUR 316 million end 2009 to EUR 465 million at the end of 2010, or a negative impact of EUR 149 million. This amount can be broken down into (i) EUR 83 million reflecting the increase of the net discounted value of the estimated quarterly interest payments and (ii) an additional liability of EUR 66 million related to the guarantee agreement between the Belgian State and Ageas.

With respect to the latter, Ageas decided in the course of 2010 to fine-tune its RPN(I) valuation model and to include the estimated net discounted value of the Belgian State Guarantee in the fair value of the RPN(I).

The net profit of Royal Park Investments (RPI) before impairment test of goodwill and based on 100% for 2010 amounted to EUR 653 million. This was primarily driven by the positive development of the marked-to-market valuation of the security portfolio. At the end of each quarter RPI performs an impairment test on the goodwill recognised. Since all proceeds received are used to redeem funding, and no new business is generated, the goodwill recognized will be impaired over the expected maturity of the portfolio. Based on the periodic review of the expected performance of the portfolio, expected cash flows have been reduced resulting in a goodwill impairment of EUR 359 million. As a result, RPI's 2010 net result under IFRS, at 100%, amounted to EUR 294 million with Ageas's part (44.7%) being EUR 131 million. In addition, RPI concluded a number of interest rate swaps early 2010, exchanging variable interest streams into fixed interest streams. Ageas decided to apply cash flow hedge accounting on these swaps. All fair value movements flow through equity and increase the equity value as per 31 December (100%) by an additional EUR 94 million, Ageas's share being EUR 42 million. As a result of both events, Ageas's equity investment in RPI increased from EUR 760 million to EUR 933 million.

The net result of the General Account also included a net capital gain of EUR 7 million realized on the respective divestments in 2010 of the Non-Life operations in Luxembourg and the Life operations of Ukraine and Turkey.

The recurring elements of the General Account mainly relate to the net interest result on the net cash position and long term debt, staff costs and other operating and administrative expenses. These costs totalled EUR 74 million in 2010 compared to EUR 98 million in 2009. Net interest income turned negative in 2010 because of a lower average net cash position and lower returns, while operating costs nearly halved year on year.

Contingent liabilities

Please refer to note 52 of the Consolidated Financial Statements as per 31 December 2010 for the entire section of “Contingent liabilities” which will be published on internet on 17 March 2011. This press release incorporates a summary of events since the publication of the half year numbers on the 25th of August.

In 2007 Fortis Bank Nederland (Holding) N.V. (now ABN AMRO Bank N.V.), Fortis Bank SA/NV, ageas SA/NV and ageas N.V. issued Mandatory Convertible Securities (MCS), which were mandatorily converted on 7 December 2010 into Ageas’s shares. This gave rise to certain legal proceedings because (i) certain MCS holders unilaterally decided at a general MCS holders’ meeting to postpone the maturity date of the MCS and therefore contest the validity of the conversion before the Brussels Commercial Court, (ii) Ageas itself initiated a claim before the Amsterdam Court against ABN AMRO Bank and ABN AMRO Group and (iii) the Dutch State intends to join these proceedings alleging that Ageas, by pursuing its claim against ABN AMRO Bank is acting in violation with the Term Sheet entered into upon the sale of Fortis Bank Nederland (Holding) N.V. to the Dutch State on 3 October 2008. The issue under (iii) is covered in the provision set up in 2010.

On 19th of January 2011 legal proceedings before the Amsterdam District Court were initiated by the Vereniging van Effectenbezitters (VEB) demanding to establish that various communications of Fortis in the period September 2007 to 3 October 2008 constitute a breach of law by Fortis, certain of its former directors and top executives and certain financial institutions acting as global coordinators and lead managers in connection with the 2007 rights issue. Ageas denies any wrongdoing and will challenge any allegations thereof.

Threatened litigation

On 23 December 2010 the Dutch State expressed in writing two claims against Ageas for an amount of EUR 675 million and EUR 210 million respectively, referred to as the so called ‘equity warranty’ claims. The Dutch State bases these alleged claims on the application of certain provisions agreed by Fortis Insurance N.V., Fortis Insurance International N.V. and FBN(H) Preferred Investments B.V. in the context of the sale of the Dutch banking and insurance activities on 3 October 2008. Ageas will contest, in court if needed be, the merits of these claims.

On 10 January 2011 a Stichting under Dutch law, called “Investor Claims Against Fortis” issued a press release announcing a writ of summons against Ageas to be filed with the Utrecht District Court alleging miscommunication by Fortis on various occasions in the period 2007-2008. Ageas denies any wrongdoing and will challenge any allegations in court.

Litigation relating to FRESH securities

On 11 February 2011 the Commercial Court of Brussels dismissed the claims of two Luxembourg funds who demanded that the FRESH securities they held would be declared null and void and that the nominal value thereof would be reimbursed. The plaintiffs declared in the meantime that they would not go into appeal against the decision taken.

Group

Shareholders' equity at EUR 3.19 per share

Shareholders' equity at 31 December 2010 amounted to EUR 8.2 billion (EUR 3.19 per share) compared to EUR 8.4 billion (EUR 3.41 per share) at the end of December 2009.

The increase of shareholders' equity following the conversion of the MCS financial instrument was entirely offset by a charge taken into result of the General Account.

Furthermore the positive net Insurance result (EUR 0.4 billion), the positive currency revaluations of the Asian and UK participations (EUR 0.2 billion) nearly offset the negative variance in unrealized gains and losses on sovereign bonds (EUR 0.5 billion negative) and the 2009 dividend payment in June 2010 (EUR 0.2 billion).

Shareholders' equity declined significantly compared to June 2010 following the decrease of the unrealized gains on sovereign bonds (minus EUR 0.7 billion) and lower currency translation reserves. Net equity per share was also impacted by the higher amount of outstanding shares following the conversion of the MCS financial instrument.

Solvency remains solid

Ageas's **total available capital** amounted to EUR 8.6 billion on 31 December 2010 compared to EUR 8.7 billion end 2009. It exceeded the total consolidated regulatory minimum requirements of the insurance activities by EUR 5.6 billion, including the available capital at the level of the General Account (EUR 1.8 billion). Total available capital of the insurance activities amounted to EUR 6.8 billion, with minimum solvency requirements slightly up to EUR 3.0 billion due to the increase in activities. This led to a total solvency ratio for the global insurance operations of 227% compared to 234%⁴ at the end of last year. The **net cash position in the General Account** per 31 December 2010, assuming full redemption of the European Medium Term Notes (EMTN) programme and including short term deposits entrusted to banks, amounted to EUR 2.2 billion, down from EUR 2.8 billion end 2009⁵.



⁴ 231% reported as per 10 March 2010; variance related to restatement 2009 accounts

⁵ Based on restated 2009 accounts

This decrease mainly reflects the 2009 dividend pay-out in June of EUR 0.2 billion and the transfer of EUR 0.3 billion funds provided to the UK operations in the context of the financing of the Tesco Bank partnership and the acquisition of Kwik Fit Insurance Services.

The level of **discretionary capital** decreased from EUR 1.3 billion end 2009 to EUR 0.5 billion at the end of 2010, mainly as a result of the M&A activity in Turkey and the UK, the revaluation of RPN(I), the reservation for the proposed 2010 dividend and scope changes.

2010 gross dividend stable on 2009

Ageas's Board of Directors will propose a **gross dividend of 8 eurocent per share** subject to approval by the shareholders at the Annual Shareholders' meeting of 27 and 28 April 2011. This dividend is similar to the dividend paid over 2009 and equals an expected pay-out ratio of around 50% of the insurance net profit.

Total amount of shares outstanding up on MCS conversion

Following the conversion of the MCS financial instrument into 106,723,569 shares, the total amount of outstanding shares increased to 2,623,380,817 shares. This includes 164,995,823 shares issued in the context of the rights and obligations arising from the potential conversion of the FRESH and the CASHES subordinated hybrid securities. These shares have no entitlement to dividend or voting rights until the effective conversion which brings the total number of shares entitled to dividend or voting rights to 2,458,384,994 shares.

FTEs

Ageas employed 11,707 FTEs on 31 December 2010, compared to 10,613 FTEs end 2009. The increase is mainly related to the recent acquisition and new partnership in the UK. The total breaks down as 5,705 at AG Insurance in Belgium, 4,327 in the United Kingdom, 1,270 in the Continental Europe and 320 in Asia. The FTEs of the latter two segments also include the regional staff based in Brussels and Hong Kong respectively. Ageas's General Account segment, in casu the Corporate Centre employed 85 FTEs end 2010.

Details by business segment

Since 2010 Ageas reports along the lines of the four insurance business segments: Belgium, United Kingdom, Continental Europe and Asia. Hereafter a short business description of the new segments:

Belgium

The Belgian insurance activities, operating since June 2009 under the name of AG Insurance, have a longstanding history. Total gross inflows in 2010 amounted to EUR 6.7 billion and the company serves more than 2.5 million customers. 75% to 80% of total inflow relates to Life insurance while 20 to 25% to Non-Life. It offers a comprehensive range of Life and Non-Life products sold to private individuals and SMEs. It operates a multichannel strategy with distribution via more than 3,000 independent brokers and via the bank channels of BNP Paribas Fortis Bank and its subsidiaries. AG Employee Benefits is the dedicated business unit selling group life and health care products, mainly to larger enterprises. Since May 2009, BNP Paribas Fortis owns 25% of AG Insurance.

United Kingdom

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 Protection. The UK business is the affinity partner of a number of very strong brands including Tesco Bank, John Lewis Partnership, Age UK and Toyota (GB) Limited. The UK business adopts a multi-channel distribution strategy across brokers, affinity partners and own distribution. Its 100% owned subsidiaries include RIAS which has over a million customers in the growing +50 age market segment, Ageas Insurance Solutions which provides white label solutions to affinity partners, outsourcing services as well as direct internet promotion of its own brands and Kwik Fit Insurance Services. The successful start-up of Tesco Underwriting, the partnership with Tesco Bank and the integration of the acquired business of Kwik Fit Insurance Services will further strengthen Ageas's respective market positions in the UK.

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

Continental Europe

Continental Europe consists of the European insurance activities, excluding Belgium and the United Kingdom. It includes five countries and is a mix of leading positions in mature markets such as Portugal and Luxembourg and smaller positions in France and Germany or the new partnership in Non-Life in Italy. In 2010, about 89% of total inflows were Life related complemented with a Non-Life activity in Portugal and Italy. As part of the strategic review in 2009, the Continental Europe segment took a number of initiatives to align its portfolio which led to the decision to sell the Non-Life activities in Luxembourg, the Turkish and Ukrainian Life operations and to place the Russian operations in run-off.

Asia

Ageas is active in five countries in Asia with its regional office based in Hong Kong and the subsidiary in Hong Kong being fully-owned. The other activities are organised in the form of partnerships with leading local partners and financial institutions in China, Malaysia, Thailand and India. In terms of reporting, Ageas reports on a consolidated basis on Hong Kong while the other stakes are accounted for as associates.

Belgium

Income Statement - Life

Belgium - Life - in EUR million	FY 10	FY 09	Change	H2 10	H2 09	H1 10
Gross written premiums	4,529.5	4,768.7	(5%)	2,258.4	2,318.2	2,271.1
Investment contracts without dpf	589.2	583.0	1%	209.4	287.6	379.8
Gross inflow Life	5,118.7	5,351.7	(4%)	2,467.8	2,605.8	2,650.9
Operating costs	(176.6)	(177.4)	(0%)	(87.9)	(93.8)	(88.7)
Technical result	343.2	385.3	(11%)	156.3	228.1	186.9
Allocated capital gains	(43.1)	(71.7)	(40%)	15.9	(26.1)	(59.0)
Operating margin	300.1	313.6	(4%)	172.2	202.0	127.9
Non-allocated other income and expenses	161.9	90.2	79%	101.3	50.7	60.6
Profit before taxation	462.0	403.8	14%	273.5	252.7	188.5
Income tax expenses	(122.5)	(32.1)	*	(73.1)	(63.6)	(49.4)
Net profit attributable to non-controlling interests	87.3	55.6	57%	51.5	46.8	35.8
Net profit attributable to shareholders	252.2	316.1	(20%)	148.9	142.3	103.3

Income Statement - Non-Life

Belgium - Non-Life - in EUR million	FY 10	FY 09	Change	H2 10	H2 09	H1 10
Gross written premiums Non-Life	1,590.7	1,515.4	5%	739.0	707.0	851.7
Operating costs	(263.3)	(249.7)	5%	(131.8)	(124.0)	(131.5)
Technical result	0.7	73.2	(99%)	(4.1)	54.6	4.8
Allocated capital gains	(1.6)	(9.3)	(83%)	43.9	(4.2)	(45.5)
Operating margin	(0.9)	63.9	*	39.8	50.4	(40.7)
Non-allocated other income and expenses	19.7	13.5	47%	12.1	6.4	7.6
Profit before taxation	18.8	77.4	(76%)	51.9	56.8	(33.1)
Income tax expenses	(3.3)	(14.0)	(77%)	(16.1)	(16.5)	12.8
Net profit attributable to non-controlling interests	4.2	13.1	(68%)	9.1	11.6	(4.9)
Net profit attributable to shareholders	11.3	50.3	(78%)	26.7	28.7	(15.4)

Income Statement

Belgium - in EUR million	FY 10	FY 09	Change	H2 10	H2 09	H1 10
Gross inflow	6,709.4	6,867.1	(2%)	3,206.8	3,312.8	3,502.6
Operating costs	(439.9)	(427.1)	3%	(219.7)	(217.8)	(220.2)
Net profit attributable to shareholders	263.5	366.4	(28%)	175.6	171.0	87.9

■ **Inflow levels fairly stable at EUR 6.7 billion (vs. EUR 6.9 billion in 2009)**

- ◆ Life gross inflow at EUR 5.1 billion, down 4% on last year due to lower inflows via the bank channel
- ◆ Non-Life gross written premiums at EUR 1.6 billion, up 5%
- ◆ Inflows 2nd half at EUR 3.2 billion vs. EUR 3.5 billion in first half

■ **Net profit after non-controlling interests at EUR 264 million (vs. EUR 366 million in 2009)**

- ◆ Non-controlling interests at EUR 91 million compared to EUR 69 million in 2009 and positive non-recurring tax benefit of EUR 94 million in 2009
- ◆ Net capital gains of EUR 29 million related to restructuring of the investment portfolio
- ◆ Net negative impact of EUR 25 million related to exceptional weather related claims

■ **Life Funds under management at EUR 48.2 billion (vs. EUR 45.4 billion end 2009) or +6%**

- ◆ Increase driven by new intakes and lower lapse rates

■ **Overall combined ratio at 107.4%**

- ◆ Combined ratio, excluding Workmen's Compensation at 104.3% (vs. 102.5% in 2009)
- ◆ Second half combined ratio at 107.6%, nearly stable on the first half

Total **gross inflows** in 2010 amounted to EUR 6.7 billion, 2% below last year's levels, a solid commercial performance in an uncertain and challenging interest rate environment. Life inflows declined 4% to EUR 5.1 billion. A strong overall performance in the broker channel (+12%), and increasing unit-linked and traditional inflows via the bank channel could not offset the declining sales of savings products in the bank channel. Inflows in the Employee Benefits channel declined 6% mainly because last year's inflow included exceptional single premium payments to cover the underfunding of certain group contracts. Non-Life gross written premiums continue to increase. In 2010 inflows reached EUR 1.6 billion, +5% on 2009, with all product lines contributing though especially Motor (+9%) and Healthcare (+8%). The growth in Healthcare illustrates the commercial strength of AG Insurance's unique multi-distribution model in the Belgian market.

Total gross inflows in the second half of 2010 amounted to EUR 3.2 billion, compared to EUR 3.3 billion in the same period last year. Second half 2010 total gross inflow was 8% lower than the first half (EUR 3.5 billion) due to less single premiums in Life and seasonal effects in Non-Life, particularly in Workmen's Compensation and the SME business lines.

Net profit after non-controlling interests amounted to EUR 264 million, compared with EUR 366 million last year. Non-controlling interests increased from EUR 69 million to EUR 92 million, as the sale of the 25% minority stake in AG Insurance to BNP Paribas Fortis took place in May 2009. In addition, the 2009 net result benefited from a one-off dividend tax recovery of EUR 94 million that was partially compensated by the

effects of the financial turmoil. Non-Life business suffered from the impact of the severe weather conditions, more large claims and an increased frequency in Motor and an increased number of permanent disability claims in Workmen's Compensation. The negative was partially offset by an overall multi-line reinsurance treaty.

The consecutive restructuring measures on the investment portfolio resulted in a net positive impact (after tax and non-controlling interests) of EUR 29 million and can be broken down as follows:

- ◆ A net loss of EUR 55 million realised in the first half of 2010 following the decision to reduce the concentration risk on certain Southern European countries and the subsequent sale of EUR 8.9 billion (at historical cost) of sovereign bonds.
- ◆ A net capital gain of EUR 29 million on the sale of real estate in the Brussels region in the second quarter.
- ◆ A capital gain of EUR 55 million on the sale of EUR 1.2 billion of government bonds in the third quarter in the context of a further rebalancing of assets within the investment portfolio.

Lastly, slightly higher operating costs and a lower investment income also negatively impacted the 2010 net result.

The second half net result increased compared to the first half, up to EUR 176 million, supported mainly by the above mentioned realized capital gains on bonds while the first half included net capital losses following the investment portfolio rebalancing exercise.

Operating costs increased overall 3% to EUR 440 million, including some non-recurring repositioning costs related to the separation from BNP Paribas Fortis and costs related to the implementation of the Solvency II program. Non-Life operating costs were impacted by an increase of the number of FTEs in order to support the new business growth particularly in Healthcare. Despite the higher operating costs the main cost ratios remained stable or came down. The Life cost ratio as a percentage of funds under management decreased from 0.41% to 0.38% as the increase of funds under management more than compensated higher costs. The Non-Life cost ratio remained stable at 16.5%.

The total **technical result** reached EUR 344 million, compared to EUR 459 million in 2009, and decreased in Life and Non-Life. The 2010 technical result was hampered by a lower investment income and the rebalancing of the investment portfolio as well as the significant impact of weather related events in Non-Life. The Life technical result amounted to EUR 343 million in 2010 compared to EUR 385 million in 2009, lower investment income, partly compensated by a positive volume impact. The Non-Life technical result was nearly breakeven at EUR 1 million compared to EUR 74 million in 2009, mainly due to more permanent disability claims in Workmen's Compensation, a higher average large claims cost and frequency in Motor and the net impact of severe weather related events, the latter being tempered however by an overall multi-line reinsurance treaty.

The **combined ratio** for 2010 stood at 107.4% compared to 103.2% last year. Excluding Workmen's Compensation, the combined ratio went up to 104.3% from 102.5% last year. As previously communicated, AG Insurance has initiated and continues to take proactive measures to improve the operating performance. This includes among others tariff increases in Fire and Motor together with revised deductible formulas in Motor. The weak combined ratio in the first half (107.1%) persisted with 107.6% in the second half of the year.

Excluding Workmen's Compensation, the second half combined ratio stood at 105.3%.

Funds under management went up 6% to EUR 48.2 billion, enabling AG Insurance to maintain its market leadership with a market share of 27.9%⁶.



⁶ Based on Assurialia market survey at the end of 2010 and expressed as a % of the average funds under management

Life

Life **inflow** reached EUR 5.1 billion, down 4 % compared to last year. Individual Life inflow amounted to EUR 4.1 billion, 4% lower. Group Life reached EUR 1.1 billion, 6% below last year. Life inflow in the second half decreased 7% to EUR 2.5 billion vs. EUR 2.7 billion in the first half.

Individual Life amounted to EUR 4.1 billion vs. EUR 4.2 billion end 2009. The slight decrease was due to lower volumes in savings products, as a result of the decreased guaranteed interest rates, and the decision to have less specific marketing campaigns compared to 2009. This decrease was only partly offset by an increase in unit-linked sales through the BNP Paribas Fortis and 'Bank van de Post' distribution channel. Reduced commercial efforts in promoting the saving business triggered a 7% inflow decline down to EUR 3.2 billion via the bank channel.

Inflows via the broker channel rose 12% to EUR 0.8 million, supported by strong sales of savings products, confirming the positive trend of the second half of 2009.

Group Life business, distributed through the employee benefits channel, amounted to EUR 1.1 billion, down 6% on last year, as the latter included exceptional single premium payments to cover the underfunding of certain group contracts.

Annualised premium equivalent (APE) increased 6% to EUR 463 million compared to EUR 437 million last year, driven by an increase in regular premiums in savings and improved unit-linked sales.

Life **funds under management** increased to EUR 48.2 billion (+6%) compared with last year (EUR 45.4 billion) and rose 3% vs. the end of June 2010. All product lines contributed to the increase via new intakes and reduced lapses. Funds under management related to non-unit linked business increased by 7% to reach EUR 41.5 billion triggered by the savings business in both bank and broker channel. Unit-linked funds under management were up 2% partly driven by a favourable unit-value evolution and additional inflows from new structured unit-linked tranches. Compared to December 2009, funds under management both in Employee Benefits and Individual Life increased 6% to EUR 12.0 billion and EUR 36.2 billion respectively.

The **net profit** in 2010 amounted to EUR 252 million, down from EUR 316 million in 2009 (-20%). The technical result and operating margin held up well compared to last year and amounted to EUR 343 million and EUR 300 million respectively. The lower net result is explained by a decreased investment income (EUR 46 million negative) and by higher non-controlling interests, the latter amounting to EUR 87 million (vs. EUR 56 million in 2009). The restructuring of the investment portfolio had an overall positive net impact of EUR 27 million. In addition, AG Insurance' Life business benefited from a one-off dividend tax recovery of EUR 86 million in the first half of 2009, partly compensated by an overall negative impact of the financial markets.

Non-Life

Gross written premiums in 2010 were up 5% compared to 2009 and reached EUR 1,591 million. All product lines showed growth, however most noticeably in Motor and Healthcare. The positive impact of tariff increases applied in Fire and Motor counted for 2% of total growth, the remainder being related to volume growth. Motor TPL and material damage tariff increased by 4.5%. Based on data of end 2010, Non-Life market share increased to 15.4%, outperforming the general market growth in all major product lines⁷.

Gross written premiums via the broker channel increased to EUR 1,124 million, up 5% versus last year. Inflows in SME and corporate lines amounted to EUR 585 million (+4%) while retail inflows went up 5% to EUR 539 million. Gross written premiums through the bank channel amounted to EUR 212 million, up 4% on prior year. Healthcare premiums, distributed through the Employee Benefits channel, rose 8% compared to 2009, reaching EUR 255 million mainly driven by new business in group Healthcare and sector plans.

Gross written premiums in the second half came down to EUR 0.7 billion compared to EUR 0.9 billion in the first half (- 3%), mainly related to seasonal effects, particularly in Workmen's Compensation and the SME business lines in the second half of the year.

The **technical result** amounted to EUR 1 million (vs. EUR 73 million in 2009). As in Life activities, Non-Life suffered from a decreasing investment income. As already mentioned, various bad weather events such as heavy winter circumstances in the early and last part of the year, summer storms and floods in autumn resulted in a pre-tax claims amount of EUR 50 million after the overall multi-line reinsurance treaty intervention. (EUR 25 million net-of-tax and after minorities). Furthermore an increasing number of large claims cost and frequency in Motor as well as an increased number of claims with permanent disability in Workmen's Compensation weigh on the technical result. The **operating margin** at the end 2010 followed the same evolution and reached EUR 0.9 million negative compared to EUR 63.9 million positive last year.

The **combined ratio**, including Workmen's Compensation, amounted to 107.4%, compared to 103.2% last year. Excluding Workmen's Compensation, the combined ratio stood at 104.3% in 2010 compared to 102.5% last year. In the second half the combined ratio increased to 107.7% compared to 107.1% in the first half and 100.8% in the second half of last year. This is entirely explained by the extreme and exceptionally high level of weather related events in 2010. As previously announced, a set of corrective measures in most of the products has been implemented since the beginning of 2010 which are expected to have an additional positive impact in 2011.

Net profit amounted to EUR 11.3 million in 2010, compared to EUR 50.3 million in 2009. The negative variance is mainly explained by the severe weather conditions, an increased number of permanent disability claims in Workmen's Compensation, increased average large claims costs and an increased frequency in Motor and lastly by a decreasing yield (EUR 7 million negative) . An overall multi-line reinsurance treaty and a strong Healthcare performance partially offset the negative events. And lastly, AG Insurance's Non-Life business benefited in 2009 from a one-off dividend tax recovery of EUR 8 million in the first half.



⁷ Based on Assurialia market survey at the end of 2010

United Kingdom

Income Statement - Life

UK - Life - in EUR million	FY 10	FY 09	Change	H2 10	H2 09	H1 10
Gross written premiums	27.5	9.9	*	16.3	6.8	11.2
Investment contracts without dpf	-	-	*	-	-	-
Gross inflow Life	27.5	9.9	*	16.3	6.8	11.2
Operating costs	(30.6)	(20.0)	53%	(19.3)	(10.2)	(11.3)
Technical result	(13.4)	(9.0)	48%	(10.2)	(3.8)	(3.2)
Allocated capital gains	-	-	*	-	-	-
Operating margin	(13.4)	(9.0)	48%	(10.2)	(3.8)	(3.2)
Non-allocated other income and expenses	1.5	0.9	50%	0.7	0.5	0.8
Profit before taxation	(11.9)	(8.1)	47%	(9.5)	(3.3)	(2.4)
Income tax expenses	3.3	2.2	51%	2.6	0.9	0.7
Net profit attributable to minority interests	-	-	*	-	-	-
Net profit attributable to shareholders	(8.6)	(5.9)	45%	(6.9)	(2.4)	(1.7)

Income Statement - Non-Life

UK - Non-Life - in EUR million	FY 10	FY 09	Change	H2 10	H2 09	H1 10
Gross written premiums Non-Life	1,179.3	903.3	31%	641.0	454.2	538.3
Operating costs	(93.0)	(75.5)	23%	(47.5)	(35.1)	(45.5)
Technical result	(43.1)	(18.0)	*	(39.6)	(23.3)	(3.5)
Allocated capital gains	2.9	9.9	(71%)	0.8	0.8	2.1
Operating margin	(40.2)	(8.1)	*	(38.8)	(22.5)	(1.4)
Non-allocated other income and expenses	2.7	15.0	(82%)	0.3	5.4	2.4
Profit before taxation	(37.5)	6.9	*	(38.5)	(17.1)	1.0
Income tax expenses	10.2	(2.2)	*	10.5	4.5	(0.3)
Net profit attributable to minority interests	(6.6)	(0.5)	*	(5.2)	(0.5)	(1.4)
Net profit attributable to shareholders	(20.7)	5.2	*	(22.8)	(12.1)	2.1

Income Statement - Other Insurance

UK - Other Insurance - in EUR million	FY 10	FY 09	Change	H2 10	H2 09	H1 10
Fee and commission income	138.2	111.2	24%	78.8	57.2	59.4
Other income	42.1	0.4	*	39.8	(0.1)	2.3
Staff expenses	(64.7)	(43.9)	47%	(40.5)	(22.2)	(24.2)
Other expenses	(95.1)	(47.1)	*	(68.6)	(24.1)	(26.5)
Profit before taxation	20.5	20.6	0%	9.5	10.8	11.0
Income tax expenses	(8.0)	(6.2)	30%	(4.9)	(3.4)	(3.1)
Net profit attributable to minority interests	-	-	*	-	-	-
Net profit attributable to shareholders	12.5	14.4	(13%)	4.6	7.4	7.9

Income Statement

UK - in EUR million	FY 10	FY 09	Change	H2 10	H2 09	H1 10
Gross inflow	1,206.8	913.2	32%	657.3	461.0	549.5
Operating costs	(123.6)	(95.5)	29%	(66.8)	(45.3)	(56.8)
Net profit attributable to shareholders	(16.8)	13.7	*	(25.1)	(7.1)	8.3

- **Record Inflow levels in 2010 of EUR 1,207 million up 32% (vs. EUR 913 million last year)**
- **Net loss after non-controlling interests of EUR 16.8 million (vs. a net profit of EUR 13.7 million in 2009)**
 - ◆ Significant impact of severe weather events leading to an exceptional net cost of EUR 49 million
 - ◆ Life net result impacted by a one-off impairment charge of EUR 5 million
- **Overall combined ratio of 109.5% (vs. 108.1% in 2009)**
 - ◆ Combined ratio Household impacted by severe weather related events
 - ◆ Combined ratio Motor at 106.2%, an improvement of 5.5% on 2009
- **Tesco Bank partnership launched and progressing well**
 - ◆ More than 200,000 customer policies already transferred to Tesco Underwriting since the start-up mid October
- **Strong Retail growth thanks to acquisition of Kwik Fit Insurance Services**
 - ◆ Integration on track
 - ◆ Net positive contribution of EUR 3.5 million to result excluding one-off acquisition costs

Inflow levels in 2010 were up 32% to EUR 1,207 million, driven by good growth in the UK's Personal (+29%) and Commercial lines (+38%) Non-Life business. The currency impact on inflows compared to 2009 amounted to EUR 45 million or 4% of inflow. Total Other Insurance segment income amounted to EUR 180 million, an increase of over 60% compared to last year and mainly attributable to the acquisition of Kwik Fit Insurance Services in mid 2010.

The **operating performance** was impacted by extremely severe and unusual weather conditions in the early and latter part of the year resulting in an increase of combined ratios compared to 2009. The bad weather led to an exceptional cost of EUR 49 million, related mainly to escape of water claims costs. As a result, the Non-Life **combined ratio** for 2010 increased to 109.5%, compared to 108.1% end of 2009 and 106.5% end of June 2010. This is also reflected in a combined ratio for Household up from 99.2% end 2009 to 115.6% in 2010 with a current year loss ratio up from 64.4% to 78.1%. However, the Motor combined ratio for 2010 improved to 106.2% compared to 111.7% at the end of 2009, a figure well below the industry average of 122%⁸.

The 2010 **net result after minorities** amounted to EUR 16.8 million negative compared to a net profit of EUR 13.7 million last year. Excluding however the above mentioned weather related costs, the net Non-Life result would have improved

◆◆◆

⁸ 2009 Industry average

significantly on the previous year reflecting an improved operating performance in most areas of the business, with robust returns from Retail operations and a positive contribution from Non-Life Personal and Commercial lines. In addition to the weather related costs (EUR 49 million), the Non-Life net result also included the set-up costs of the new partnership with Tesco (EUR 4 million), the acquisition costs related to Kwik Fit Insurance Services (EUR 5 million) and lower investment income (EUR 6 million). The Life business was negatively impacted by a one-off impairment charge of EUR 6 million (pre-tax).

Life

Good commercial progress has been made in the UK's Protection business, launched in July 2008, reporting **gross inflows** of EUR 28 million in 2010, a significant increase on the previous year (EUR 10 million). Ageas has achieved its 2010 objective of making its Protection products available to the whole of the IFA market, in which it now has a 6.4% market share. The company now provides cover to over 120,000 customers, an increase of 90% compared to last year.

Unfortunately the net result was impacted by an impairment charge of EUR 6 million (EUR 5 million after tax) on a receivable. As a result the **net Life result** for the entire year amounted to EUR 8.6 million negative, compared to a net negative result of EUR 5.9 million in 2009.

Non-Life

Total **gross written premiums** for 2010 increased by 31% to EUR 1,179 million, a record result driven by the continued development of both the Personal (+29%) and Commercial lines portfolios (+42%).

Within Personal lines, Private Motor insurance produced an inflow of EUR 599 million, 29% up on last year and largely driven by tariff increases and the inclusion of inflows from Tesco Underwriting (EUR 101 million). In addition both Household and Travel books continued to grow to EUR 295 million (+26%) and EUR 67 million (+23%) respectively reflecting the broadening of existing relationships in the Household market and by partnership growth in Travel. Inflows in Commercial lines year-to-date amounted to EUR 191 million, representing 38% growth compared to last year. This rapid growth is a result of the continued implementation of the strategy to increase products and capability in the Small and Medium Sized Enterprises (SME) market and strong alignment to brokers' needs.

The Non-Life performance was marked by a difficult start and end of the year, producing a **net result after minorities** of EUR 20.7 million negative, compared to EUR 5.2 million positive in 2009.

The negative variance compared to last year is explained by industry-wide weather related issues which have impacted insurers' profits across the UK market. For Ageas these costs amounted in 2010 to EUR 48.9 million, which is the sum of weather related costs in January (EUR 9.4 million) and December (EUR 39.5 million). In addition, the net result is impacted by lower realized capital gains and lower investment income (EUR 8.4 million). In addition, set up costs for the new partnership with Tesco Bank amounted to EUR 3.6 million for the full year.

The Non-Life **combined ratio** at the end 2010 was 109.5%, compared to 108.1% end 2009. The ratio was mainly negatively impacted by the severe winter weather conditions. There has been an improved performance in the Private motor book where the combined ratio was 106.2% (vs.111.7% end 2009) due to the corrective management actions taken.

Also in 2011, the UK business continues its consistent approach of pricing in line with the underlying risk, implementing rate increases where appropriate.

Tesco Underwriting, the partnership between Tesco Bank (49.9%) and Ageas (50.1%) was launched mid October 2010. At the end of December, 220,000 customer policies have already been transferred, corresponding to a total inflow of EUR 101 million. The Motor and Household partnership is expected to provide cover for over 1.5 million customers while the number of cars insured by Ageas is expected to increase to around 2.7 million. As such Ageas will aim to consolidate its position as the 2nd largest car insurer based in the UK.

Other Insurance

The UK's Other Insurance segment which includes the Retail operations, RIAS, Kwik Fit Insurance Services (KFIS) and Ageas Insurance Solutions, continued to trade well in a competitive environment with total fee and commission **income** up to EUR 180 million (+62%). This increase is driven mainly by the integration and consolidation of Kwik Fit Insurance Services (KFIS) which counted for EUR 47.3 million of income but also by good customer retention, add-on income and growth in partnership income.

The acquisition of KFIS in July 2010 is a major step in the multi-distribution strategy of the UK operations, with the aim to diversify. The acquisition has added 600,000 customers and 1.2 million policies as well as a strong performing brand to the portfolio. It will consolidate Ageas as the 4th largest Personal lines intermediary distributor in the UK.

The **net profit** amounted to EUR 12.5 million, down EUR 1.6 million on last year primarily due to the one-off acquisition costs related to Kwik Fit Insurance Services (EUR 5 million).

Kwik Fit Insurance Services contributed a net profit of EUR 3.5 million since its consolidation as of August 2010, including an amortisation cost of intangible assets of EUR 2.9 million and not including the above mentioned one-off acquisition costs.

Continental Europe

Income Statement - Life

Continental Europe - Life - in EUR million	FY 10	FY 09	Change	H2 10	H2 09	H1 10
Gross written premiums	1,748.3	1,601.2	9%	641.6	809.6	1,106.7
Investment contracts without dpf	1,741.4	2,104.7	(17%)	867.6	1,249.0	873.8
Gross inflow Life	3,489.7	3,705.9	(6%)	1,509.2	2,058.6	1,980.5
Operating costs	(124.6)	(128.9)	(3%)	(63.0)	(65.6)	(61.6)
Technical result	129.0	85.0	52%	89.8	39.3	39.2
Allocated capital gains	-	0.4	(66%)	(2.9)	0.1	2.9
Operating margin	129.0	85.4	51%	86.9	39.4	42.1
Non-allocated other income and expenses	20.3	19.9	1%	8.5	15.1	11.8
Profit before taxation	149.3	105.3	42%	95.4	54.5	53.9
Income tax expenses	(45.6)	(33.3)	37%	(25.9)	(15.9)	(19.7)
Net profit attributable to minority interests	55.5	44.7	24%	36.0	23.8	19.5
Net profit attributable to shareholders	48.2	27.3	76%	33.5	14.8	14.7

Income Statement - Non-Life

Continental Europe - Non-Life - in EUR million	FY 10	FY 09	Change	H2 10	H2 09	H1 10
Gross written premiums Non-Life	443.5	235.4	88%	214.6	107.5	228.9
Operating costs	(81.7)	(45.5)	80%	(45.3)	(22.7)	(36.4)
Technical result	5.8	22.4	(74%)	(1.2)	13.3	7.0
Allocated capital gains	1.6	-	*	0.1	-	1.5
Operating margin	7.4	22.4	(67%)	(1.1)	13.3	8.5
Non-allocated other income and expenses	0.5	(0.4)	*	1.7	0.1	(1.2)
Profit before taxation	7.9	22.0	(64%)	0.6	13.4	7.3
Income tax expenses	(3.2)	(6.8)	(52%)	(0.7)	(4.2)	(2.5)
Net profit attributable to minority interests	1.8	8.2	(78%)	(0.5)	4.7	2.3
Net profit attributable to shareholders	2.9	7.0	(59%)	0.4	4.5	2.5

Income Statement

Continental Europe - in EUR million	FY 10	FY 09	Change	H2 10	H2 09	H1 10
Gross inflow	3,933.2	3,941.3	(0%)	1,723.8	2,166.1	2,209.4
Operating costs	(206.3)	(174.4)	18%	(108.3)	(88.3)	(98.0)
Net profit attributable to shareholders	51.1	34.3	49%	33.9	19.3	17.2

- **Inflow at EUR 3.9 billion, nearly stable on last year**
 - ◆ Life inflow at EUR 3.5 billion down 6% on last year
 - ◆ Non-Life gross written premiums at EUR 444 million, up 88%

- **Net profit after non-controlling interests at EUR 51 million (vs. EUR 34 million in 2009)**
 - ◆ 2010 second half net profit after non-controlling interests at EUR 34 million

- **Continued streamlining and selective expansion of insurance portfolio**
 - ◆ Sale Luxembourg Non-Life activities to La Baloise closed in January 2010
 - ◆ Sale Turkish Pension and Life activities to BNP Paribas Assurance
 - ◆ Sale Ukrainian Life operations to Horizon Capital
 - ◆ Entry Turkish Non-Life Insurance market through acquisition of 31% stake in Aksigorta

Continuing on the track started in the second half of 2009, Continental Europe further aligned its insurance portfolio following the strategic criteria defined and communicated in September 2009 and taking into account the changing economic landscape. As a result, Ageas divested in the course of 2010 its Life insurance and pension business in Turkey, its Life activities in Ukraine and its Non-Life activities in Luxembourg.

Simultaneously, Continental Europe also focused on strengthening its portfolio in line with the defined strategy and based on selective investments in areas of growth and meeting Ageas's investment criteria. In this context, Ageas announced on 18 February 2011 the conclusion of a long-term partnership with Sabanci Holding via the acquisition of a 31% stake in Aksigorta, the n°4 Non-Life insurer in Turkey. Through this partnership, Ageas enters the Non-Life insurance market in Turkey, a very promising emerging market where it will contribute its partnership skills and its expertise in bancassurance.

Total **annual gross inflows** reached EUR 3.9 billion, a level almost identical to last year. Both Luxembourg (EUR 1.3 billion) and France (EUR 0.4 billion) benefited from the regained confidence with Life inflows up by 15% and 12% respectively. In Portugal, Continental Europe's largest operation, inflows shrunk by 18% to EUR 2.0 billion. Especially in the second half inflow levels were substantially below previous levels and suffered from low volumes in unit-

linked products. In addition 2009 was a very strong year in terms of unit-linked inflow levels compared to previous years. The Italian partnership with BNP Paribas Assurance and UBI Banca took off in January 2010 and added EUR 213 million to the Continental Europe' inflow levels.

Inflows in the second half amounted to EUR 1.7 billion and remained 22% below first half levels. This evolution was driven by overall lower inflows, especially in Portugal and France, mainly due to moderate underwriting and the difficult financial markets.

Operating costs amount to EUR 206 million (+18%), entirely driven by the consolidation of the Italian activities since the beginning of the year. Operating costs would only have increased by 1.6% if costs related to Italy, the costs related to the sold activities and the early retirement plan provision would be excluded.

The **net profit after non-controlling interests** rose to EUR 51 million compared to EUR 34 million last year. This result is mainly achieved thanks to a better performance in the second half through solid Life underwriting results and the benefit of streamlining the insurance portfolio.

The second half net profit after non-controlling interests amounted to EUR 34 million versus EUR 17 million for the first six months, the latter being influenced negatively by the strengthening of the liabilities in Portugal.

Life

Life gross inflow decreased by 6% to EUR 3.5 billion as the significant sales recovery experienced in the first half year 2010 in France and Luxembourg slowed somewhat down in the second part of the year and could not compensate for the lower inflow levels in Portugal.

Although inflow was down by 20% on an annual basis compared to prior year, Portugal remains, with an inflow of EUR 1.7 billion, the largest Life operation within Continental Europe. The decline in inflow, especially in the second half, was due to various reasons including the difficult economic climate deterring clients from investing in unit-linked products.

In Luxembourg inflows amounted to EUR 1.3 billion, an increase of 17% on last year. This is driven by a continued appetite for the FOS unit-linked products and newly introduced guaranteed interest rate products.

In France inflow reached EUR 375 million, a robust growth of 12%. The growth came from a strong performance in the broker network increasing its inflow levels by more than 50%, which more than offset the loss of business previously realised via the BNP Paribas agencies.

Within Continental Europe and especially in Luxembourg the unit-linked business continues to be the primary product line with inflow levels of EUR 1.8 billion. Inflow in saving products grew by 13% to EUR 1.3 billion, due to customers' preferences for saving products with a guaranteed element, the remainder being traditional and group life inflow.

Funds under management increased to EUR 23 billion, up 7% on year-end 2009. Luxembourg and Portugal, managing close to 85% of Continental Europe's Funds under Management increased by 16% and 4% respectively. The increase is driven by inflow only partly offset by surrenders and maturities. Surrender levels were similar to last year.

The **operating margin** increased from EUR 85 million in 2009 to EUR 129 million in 2010. The improvement is driven by a better investment margin in savings business, a strong technical performance in traditional business and expense control.

Operating costs were down 3% mainly as a result of the streamlining of the Life insurance portfolio, i.e. the discontinuation of Russia, and the divestment of Ukraine and Turkey Life as of the second half of the year.

The **net profit after non-controlling interests** amounted to EUR 48 million (vs. EUR 27 million in 2009) due to the higher operating margin and the positive impact of the streamlining of the insurance portfolio. Overall, the Portuguese operations remain the main Life profit contributor, especially driven by the traditional risk business and despite the challenging economic circumstances.

Non-Life

Since the sale of the Luxembourg Non-Life franchise in January 2010, Continental Europe's P&C activities are concentrated in Portugal and Italy. Early 2011, the Non-Life activity span has been broadened with Turkey through the acquisition of the 31% stake in Aksigorta, the 4th largest Non-Life insurer. The transaction is expected to be closed and consolidated as of the second quarter of 2011.

Gross written premiums amounted to EUR 444 million versus EUR 235 million in 2009. The increase is almost entirely due to the inclusion of the Italian Non-Life activities since the beginning of 2010. In Portugal inflow levels increased by some 8% on last year, supported by all distribution channels and clearly outperforming the market. Healthcare, sold via the strong brand Médis, is the largest contributor followed by Fire.

Italy contributed EUR 213 million to gross written premiums, recording a strong 2% growth in a declining market. Motor business is with 41% of total gross written premiums the largest activity, however growth has been mainly driven by the non-motor business such as private property, health & credit protection business. These activities grew 31% in 2010 through sales via the UBI Banca network.

The **operating margin** amounted to EUR 7 million (vs. EUR 22 million in 2009). Despite a very healthy combined ratio level of 96%, the Portuguese activities suffered from higher claims in Fire due to bad weather events, especially in the second half of the year but were also impacted by a provision related to an early retirement plan. In addition and as announced previously, the Italian operations experienced bad Motor claims especially in the Southern part of the country. As of the third quarter 2010 important corrective actions were launched, already resulting in first signs of an improved Motor TPL frequency by the end of the year.

The **combined ratio** end 2010 stood at 101.5% compared to 90.3% in 2009.

Operating costs increased to EUR 82 million (+80% vs. 2009) due to the consolidation of Italy. In addition, the operating costs were also impacted by the provision for early retirement in Portugal.

The **net profit after non-controlling interests** came down from EUR 7 million in 2009 to EUR 3 million in 2010, reflecting a lower performance in Portugal and Italy.

Asia

Income Statement - Life

Asia - Life - in EUR million	FY 10	FY 09	Change	H2 10	H2 09	H1 10
Gross written premiums	232.9	214.7	9%	126.8	111.6	106.1
Investment contracts without dpf	102.1	82.1	24%	57.7	44.4	44.4
Gross inflow Life	335.0	296.8	13%	184.5	156.0	150.5
Operating costs	(37.7)	(32.1)	18%	(19.3)	(13.3)	(18.4)
Technical result	8.7	11.6	(25%)	(2.4)	6.6	11.1
Allocated capital gains	40.9	4.4	*	6.9	4.1	34.0
Operating margin	49.6	16.0	*	4.5	10.7	45.1
Non-allocated other income and expenses	(8.1)	(9.4)	(13%)	(5.1)	(4.6)	(3.0)
Profit before taxation, consolidated entities	41.5	6.6	*	(0.6)	6.1	42.1
Profit before taxation, associates	45.1	73.8	(39%)	24.8	49.2	20.3
Income tax expenses	(1.6)	(2.1)	(25%)	(1.4)	(1.1)	(0.2)
Net profit attributable to minority interests	-	-	*	-	-	-
Net profit attributable to shareholders	85.0	78.3	9%	22.8	54.2	62.2

Income Statement - Non-Life

Asia - Non-Life - in EUR million	FY 10	FY 09	Change	H2 10	H2 09	H1 10
Gross written premiums Non-Life	-	-	*	-	-	-
Operating costs	-	-	*	-	-	-
Technical result	-	-	*	-	-	-
Allocated capital gains	-	-	*	-	-	-
Operating margin	-	-	*	-	-	-
Non-allocated other income and expenses	-	-	*	-	-	-
Profit before taxation, consolidated entities	-	-	*	-	-	-
Profit before taxation, associates	8.5	12.3	(31%)	3.6	7.2	4.9
Income tax expenses	-	-	*	-	-	-
Net profit attributable to minority interests	-	-	*	-	-	-
Net profit attributable to shareholders	8.5	12.3	(31%)	3.6	7.2	4.9

Income Statement

Asia - in EUR million	FY 10	FY 09	Change	H2 10	H2 09	H1 10
Gross inflow	335.0	296.8	13%	184.5	156.0	150.5
Operating costs	(37.7)	(32.1)	18%	(19.3)	(13.3)	(18.4)
Net profit attributable to shareholders	93.5	90.6	3%	26.4	61.4	67.1

- **Inflows at EUR 6.1 billion, 50% up (vs. EUR 4.1 billion in 2009)**
 - ◆ Life gross inflow at EUR 5.6 billion up 51%
 - ◆ Non-Life gross written premiums at EUR 0.5 billion up 35%

- **Net profit at EUR 94 million (vs. EUR 91 million in 2009)**
 - ◆ Life net profit after non-controlling interests at EUR 85 million, up 9%
 - ◆ Non-Life net profit after non-controlling interests down to EUR 9 million

- **Combined ratio at 95.4% (vs. 96.7% in 2009)**

Total **gross inflows** in 2010, including non-consolidated partnerships at 100%, reached EUR 6.1 billion, a strong commercial performance and 50% above the level of last year. The inflow of the non-consolidated partnerships at 100% in 2010 amounted to EUR 5.8 billion. The growth achieved was well spread throughout the region, both in Life and Non-Life. Inflow in the second half of the year was up 40% on the same period last year, but down 19% compared to the first half, the latter being traditionally marked by a strong first quarter and additionally boosted by exceptional inflows in China and Malaysia as a result of highly successful single premium sales campaigns.

The **net profit after non-controlling interests** in 2010 rose to EUR 94 million, compared to EUR 91 million last year (+3%). The 2009 net profit included an exceptional result of EUR 32 million due to a reserve release in Malaysia. The 2010 net profit also included some significant non-recurring items: a net capital gain of EUR 35 million related to the sale of the Fortis Centre in Hong Kong in the first half of the year and a negative impact of EUR 10 million due to reserve strengthening in Hong Kong in the wake of lower interest rates in the second half. Excluding these non-recurring items, the underlying result developed strongly, up 15% compared to last year. Moreover, impairment losses of EUR 14 million in China related to the lower equity markets further held back an overall sound underlying technical result.

Life

Total **Life gross inflows** in 2010, including non-consolidated partnerships at 100%, amounted to EUR 5.6 billion, up 51% on last year and including a positive currency rate impact of 11%. Inflow levels in the second half of the year amounted to EUR 2.5 billion, up 39% compared to the same period last year, but down 20% on the first half.

The first quarter is traditionally the strongest quarter while the first half benefitted from exceptional inflows in China and Malaysia as a result of highly successful single premium sales campaigns. Furthermore, important regulatory changes regarding the Chinese bancassurance business and the Indian unit-linked market slowed down the overall growth in both markets in the fourth quarter of the year.

Gross inflows of the consolidated operations in **Hong Kong** reached EUR 335 million, 13% up on last year (8% up at constant exchange rate). New business (APE) grew strongly with 23% to EUR 66 million, driven by the recovering agency force and improved productivity.

The gross inflows of the **non-consolidated partnerships** grew impressively to EUR 5.2 billion, 55% up on last year (43% excluding exchange rate impact). All entities contributed to the strong growth of both gross inflow and new business volumes.

The further expansion of distribution capacity and product innovation continue to drive inflow levels in **China**. Single premium products in the bank channel and a new regular premium product line in the agency channel boosted gross inflow to EUR 3.7 billion (up 55%). Single premium new business contributed EUR 1.7 billion (+49%) whereas regular premium new business grew 35% to EUR 763 million. Inflow growth in the second half of the year slowed down compared to the first half because there was no single premium sales campaign in the bank channel and due to regulatory changes imposed by the banking regulator. The agency distribution continued to grow strongly: up 61% on the previous year supported by an expansion of the sales network. As of November, the company market share was up more than 10% to 3.1% in terms of gross inflow.

In the first year after the increase of Kasikorn Bank's interest in Muang Thai, Ageas's partnership in **Thailand**, the company saw its inflow levels soar by 57% compared to last year, up to EUR 714 million. Single premium business represented EUR 121 million (+93%) while regular premium new business amounted to EUR 198 million (+49%). Renewals were also up significantly, +52% to EUR 395 million. With 14.3% new business market share (as of November), the company positioned itself as a strong number two.

eTiQa, the partnership with Maybank in **Malaysia**, continued to grow strongly, mainly driven by non-participating single premium product innovation and Takaful mortgage related life insurance distributed through the Maybank-bank channels. Gross inflows increased by 44% to EUR 717 million of which EUR 456 million was single premium (+57%). Inflows in the second half of the year dropped 34% compared to the first half, the latter being marked by a very successful single premium sales campaign in the bank channel. Overall, the Malaysian operations grew faster than the market in both Life and Non-Life resulting in an increased market share. The overall share of Life – new business – for Takaful and Conventional lines combined was in excess of 20% and exceeded 11% in total gross written premiums in Non-Life.

IDBI Federal Life Insurance Company in **India** recorded gross inflows of EUR 131 million, almost doubling inflows over last year (+95%). The growth is supported by the strong brands of the distribution partners and the measured expansion of the agency distribution network. IDBI Federal's strong focus on product innovation allowed it to react aggressively in restructuring its product portfolio following regulatory changes. The anticipation of the new situation allowed the company to continue to grow strongly and to increase its market share despite the turmoil regulatory changes created in the unit-linked and pension sectors and to strengthen its market position.

Funds under management in the consolidated operations grew 26% on last year to EUR 1.4 billion. Including the non-consolidated partnerships, Funds under Management rose 47% from EUR 11.5 billion end 2009 to EUR 16.9 billion end

2010 of which 29% related to business growth and 18% resulted from the strengthening of the local currencies.

The **net profit** after non-controlling interests amounted to EUR 85.0 million, compared to EUR 78.3 million last year (+9%). The three main components of net profit are:

- ◆ The **consolidated operations** in Hong Kong with a net profit of EUR 50.1 million compared to EUR 12.9 million last year, including a non-recurring net capital gain on the sale of the Fortis Centre of EUR 34.9 million and an exceptional charge of EUR 9.5 million due to a strengthening of the reserves. Adjusted for these exceptional items, the net result increased 91% to EUR 24.7 million benefiting from improved technical results.
- ◆ The **non-consolidated partnerships** with a net profit of EUR 45.1 million, compared to EUR 73.8 million last year (-39%). Net profit in 2009 was boosted by an exceptional gain of EUR 32 million due to a release of reserves in Malaysia while the 2010 net results was held back by a lower contribution from China due to an impairment of EUR 14.1 million as a result of the lower equity markets.
- ◆ **Other costs and income** in the region, which amounted to EUR 10.2 million negative compared to EUR 8.4 million last year.

Non-Life

Non-Life **gross written premiums** - at 100% and entirely attributable to the non-consolidated partnerships in Malaysia and Thailand - increased 35% to EUR 515 million (+18% at constant exchange rates). Both partnerships performed well, largely due to the strong development of the retail non-Motor and corporate Marine, Aviation and Transport lines. Gross written premiums in Malaysia and Thailand achieved EUR 404 million (+38%) and EUR 111 million (+25%) respectively.

Net profit after non-controlling interests amounted to EUR 8.5 million (-31%). The intrinsic operational performance and the technical result remained very strong with a combined ratio of 95.4%, but the net result was held back by other non-technical charges in Malaysia.

Embedded Value and Value Added New Business

Ageas calculates embedded value based on market-consistent methodology and complies with EEV Principles as developed by the CFO Forum. Market consistent embedded value is the term applied to the embedded value when the valuation techniques used for the assets and liabilities (including the allowance for risk) are consistent with how the market would value them. This includes therefore the cost of any financial options we provide to our policyholders.

The scope of Ageas consisted of AG Insurance, Continental Europe, Asia, UK and the General Account. The scope for Embedded Value reporting does not include Ageas UK, the General Account and investments in the Asian associates. Consolidated businesses are included based on Ageas stakes.

The opening adjustments include the effect of the change in applied discount rate on the liabilities for all segments in scope, resulting in a positive change of EUR 167 million. Change in expected profit sharing in the Asian activities resulted in an additional positive adjustment of EUR 145 million. After the restatements, the 2009 embedded value amounted to EUR 5,236 million.

At year-end the Embedded Value amounted to EUR 4,823 million, a decrease of EUR 413 million. This is explained by the following elements:

- ◆ The variance on investment income of EUR 0.9 billion negative, which is predominantly due to the increased spread on several sovereign debts.
- ◆ The expected return and the Value Added New Business (VANB) for EUR 0.3 billion.
- ◆ Changes in assumption setting reflecting the results of changes in the experience regarding mortality, lapses and inflation. In addition changes were made to the Target Asset Mix and the reallocation of Required Equity between products.

Embedded Value

in EUR million

	Total		Continental	
	Insurance	Belgium	Europe	Asia
Embedded Value Year-end 2009	4,898	3,638	852	408
Divestiture	1	-	1	-
Other opening adjustments	337	74	35	228
Embedded Value Year-end 2009 restated	5,236	3,712	888	636
Expected return	192	112	66	14
Experience variance and assumption changes	294	274	61	(41)
Value added New Business	66	43	0	23
Operating EV Earnings	552	429	127	(4)
Operating return on EV	10.5 %	11.6 %	14.3 %	(0.6%)
Variance on Investment income	(924)	(742)	(193)	11
Changes in Interest rates and markets conditions	(41)	(39)	(8)	6
Embedded Value Year-end 2010	4,823	3,360	814	649
Total return on EV	(7.9%)	(9.5%)	(8.4%)	2.0 %

VANB decreased from EUR 69 million to EUR 66 million in 2010. The increase in VANB Asia could not offset the lower VANB in Belgium and Continental Europe. VANB is calculated using year-end assumptions.

The VANB for Continental Europe mainly suffered from the depressed economic environment and increased spreads in Portugal, leading to reduced margins on savings business and lower volumes.

The VANB at AG Insurance decreased slightly compared to 2009. Lower margins could not be compensated by higher volumes.

The VANB for Asia has been impacted positively by a change for expected profit sharing.

Value added by New Business			
<i>in EUR million</i>	2010	2009	Change
Total Insurance			
Value Added by New Business	66	69	(4.4%)
Present value New business premiums	5,676	5,471	3.7 %
Margin	1.2 %	1.3 %	
Belgium			
Value Added by New Business	43	49	(11.8%)
Present value New business premiums	3,470	3,249	6.8 %
Margin	1.3 %	1.5 %	
Continental Europe			
Value Added by New Business	0	14	(97.3%)
Present value New business premiums	1,818	1,914	(5.0%)
Margin	0.0 %	0.7 %	
Asia			
Value Added by New Business	23	6	281.6 %
Present value New business premiums	388	308	25.8 %
Margin	5.8 %	1.9 %	

Ageas applies a market consistent valuation approach. In 2010 Ageas changed its basis for the reference rate. It follows the recommendations set out by the CFO/CRO forum to EIOPA by applying the liquidity premium on the forward yield curve with 10 bps deduction⁹ for credit spread across the entire curve. The liquidity premium is calibrated based on the spread of the corporate bonds indices for major currencies over the government bonds, then liquidity premium is weighted according to the liquidity of the liabilities¹⁰.

For information on Embedded Value results and methodology we refer to the 2010 Embedded Value Report published today on www.ageas.com.

◆◆◆

⁹ The 10 bps correspond to the historical average of inter-bank credit spreads over the last ten years.

¹⁰ The methodology used for the calibration of the liquidity premium is defined by EIOPA in the QIS5 exercise. The impact of the change is mainly part of the line 'Other opening adjustments'

General Account

Income Statement						
<i>in EUR million</i>	FY 10	FY 09	Change	H2 10	H2 09	H1 10
Net interest Income	(15.6)	0.8	*	(16.4)	(21.9)	0.8
Realised capital gains (losses) on investments	7.0	717.8	(99%)	(5.8)	18.3	12.8
Other capital gains	(422.6)	681.0	*	(283.9)	173.3	(138.7)
Share in result of associates	127.3	(9.2)	*	107.1	(1.0)	20.2
Other income	1.4	(14.2)	*	2.6	(10.3)	(1.2)
Total income	(302.5)	1,376.2	*	(196.4)	158.4	(106.1)
Change in impairments	0.6	(350.2)	*	0.2	13.7	0.4
Net revenues	(301.9)	1,026.0	*	(196.2)	172.1	(105.7)
- Liability related to MCS conversion	(202.8)			(202.8)		
- Claim on ABN AMRO	2,000.0			2,000.0		
- Reversal of impairment FCC claim	362.5			362.5		
- Provision for Legal disputes with Dutch State	(2,362.5)			(2,362.5)		
Total impact conversion MCS/ disputes Dutch State	(202.8)			(202.8)		
Staff expenses	(20.9)	(33.8)	(38%)	(10.8)	(14.0)	(10.1)
Other operating and administrative expenses	(37.4)	(64.7)	(42%)	(19.0)	(32.0)	(18.4)
Total expenses	(261.1)	(98.5)	*	(232.6)	(46.0)	(28.5)
Profit before taxation	(562.9)	927.5	*	(428.7)	126.1	(134.2)
Income tax expenses	393.3	(223.3)	*	(13.9)	(57.3)	407.2
Net profit for the period	(169.7)	704.2	*	(442.7)	68.8	273.0
Net profit attributable to non-controlling interests	(1.5)	(0.6)	*	-	(0.6)	(1.5)
Net profit attributable to shareholders	(168.2)	704.8	*	(442.7)	69.4	274.5

- **Net loss of EUR 168 million (vs. EUR 705 million net profit in 2009)**
 - ◆ Result impacted by a EUR 203 million non-cash charge related to the MCS conversion and the legal disputes with the Dutch State, a lower valuation of the call option and the fair value of RPN(I)
 - ◆ Staff and other operating and administrative expenses halved to EUR 58 million
 - ◆ EUR 405 million non-recurring positive impact from the recognition of deferred tax assets
- **Value call option on BNP Paribas shares at EUR 609 million, EUR 271 million lower than end 2009**
- **Fair value of RPN(I) liability at EUR 465 million, EUR 149 million up on end 2009**
- **Positive net result impact related to Royal Park Investments of EUR 131 million**
 - ◆ Value equity investment increased to EUR 933 million

The **General Account** segment reported a net negative result of EUR 168 million for 2010, including a net non-cash charge of EUR 203 million under IFRS related to the conversion of the Mandatory Convertible Securities (MCS) and the legal disputes with the Dutch State. The non-cash charge corresponds to the fair value of the liability for the MCS calculated as the contractually foreseen 106.7 million shares multiplied by Ageas's opening share price of EUR 1.90 at conversion date, i.e. 7 December 2010. At the same time, Ageas recognised a EUR 2 billion claim on ABN AMRO. Lastly a provision of EUR 2.4 billion was set up to cover the legal disputes with the Dutch State while the impairment on the FCC receivable of EUR 0.4 billion

was released. The provision covers the disputes with the Dutch State concerning the ownership of the MCS and the FCC claim as well as the alleged so called 'equity warranty' claim. The disputes originate from the sale of the Dutch banking and insurance activities to the Dutch State, and comprise the claim of Ageas on ABN AMRO related to the MCS financial instrument and the FCC transaction, contested by the Dutch State as well as the so called alleged equity warranty claim of the Dutch State (for EUR 875 million). At the level of the General Account's equity, the net negative result is offset by the amount of the capital increase following the issuance of 106.7 mio shares in relation with the MCS conversion on 7 December 2010.

The result is positively driven by the recognition of a deferred tax assets of EUR 405 million related to the tax loss of EUR 11.7 billion in Brussels Liquidation Holding (previously Fortis Brussels), a company Ageas has liquidated in 2010 in the context of simplifying the Belgian legal structure. In the course of the fourth quarter additional steps were taking to further simplify the structure by means of merging several companies in the Dutch holding structure. The positive tax impact has been more than offset by a EUR 271 million negative revaluation of the call option on BNP Paribas shares and EUR 149 million related to the fair value of the RPN(I). Furthermore Ageas could record a positive contribution of EUR 131 million into the 2010 net result with respect to its stake in Royal Park Investments (RPI) (44.7%).

Fair value of RPN(I)

The RPN(I) is a financial instrument that results in quarterly payments being made to, or received from, Fortis Bank SA/NV. Each quarterly payment is determined as the average of the interest payments at an annual rate of 3-months EURIBOR plus 20 basis points to be made on a reference amount the so called RPN, as calculated on each trading day. The reference amount is based on the evolution of the market prices of the CASHES financial instrument and the Ageas's share price compared to the original valuation of both financial assets.

For the calculation of the fair value of the RPN(I), Ageas adopted a level 3 valuation model based on valuation techniques for financial derivative instruments, introduced at the end of 2009. At the end of 2010 the total cost for RPN(I) amounted to EUR 465 million compared to EUR 316 million end of December 2009, or a negative impact on result of EUR 149 million.

The increase in fair value of the provision can be attributed to two factors: (i) EUR 66 million associated with the recognition of the liability related to the guarantee arrangement between Ageas, the Belgian State and Fortis Bank and (ii) EUR 83 million increase of the net discounted value of estimated

The sale of the Luxembourg Non-Life (EUR 12 million capital gain), the Turkish Life and Ukrainian Life operations (a capital gain of EUR 9 million and EUR 14 million capital loss respectively) resulted in a net realised capital gain on investments of EUR 7 million. With respect to the recurring General Account items, the rising interest cost on the outstanding hybrid debt was only partly compensated by income on cash and deposits leading to a Net interest income of EUR 16 million negative. On the cost side, staff and other administrative expenses have been significantly reduced to EUR 58 million compared to EUR 99 million last year.

quarterly interest payments essentially associated with an adverse evolution of the Ageas's share price (from EUR 2.62 to EUR 1.71) and a tightening of spreads on perpetual instruments (minus 95 basis points year-on-year), partly compensated by a decrease of the value of the CASHES (from 54.4% to 50.2%).

Ageas decided to include the value of the future guarantee payments in the fair value of the RPN(I).

Reference values

On 31 December 2010 CASHES closed at 50.2% and the Ageas's share price closed at EUR 1.71. On 31 December 2010, 3-month EURIBOR stood at 1.0%. This results in a reference amount of EUR 642 million as per 31 December 2010. The total interest payment to Fortis Bank for 2010 amounted to EUR 7.1 million. The total amount paid to the Belgian State in accordance with the guarantee agreement between the two parties amounted to EUR 5.0 million.

Assumptions and sensitivities

See note 33 of the 2010 Consolidated Financial Statements.

Value of the call option on BNP Paribas shares granted by SFPI/FPIM

Ageas consistently applies a valuation methodology based on the Black-Scholes model option valuation techniques. As of 31 December 2010, the estimated value of the 121.2 million BNP Paribas options amounts to EUR 609 million down EUR 271 million compared to December 2009 (EUR 880 million). This valuation is also EUR 227 million below the valuation end of September 2010.

The variance in value is mainly due to a 14.6% lower BNP Paribas share price and an expected BNP Paribas dividend yield market consensus assumption that rose from 3.57% to 5.29% year on year. The latter two were only partly offset by a higher volatility assumption that rose from 27% to 33%.

The following table provides an overview of the main parameters used to value the option, including a comparison between the assumptions used on 31 December 2010 and those of 31 December 2009.

	31 December 2010	31 December 2009
BNP Paribas share price (EUR)	47.685	55.85
Strike price (EUR)	66.672	66.672
Implied volatility	33%	27%
Dividend yield	5.29%	3.565%
Price option (EUR)	7.18	10.37
Theoretical value of 121,2 mio options (EUR mio)	870	1,257
Haircut because of non-standard features call option	30%	30%
Estimated value (EUR mio)	609	880

Volatility

Given the very large number of options on BNP Paribas shares carried by Ageas the monetisation of the options is expected to have an impact on the value of traded options and hence the implied volatility. The volatility used in the valuation of the options at year end 2009 therefore included a size-discount of 7%. At the end of June 2010 Ageas decided to move to a gradual exercise strategy in accordance with a disciplined methodology. Following this decision the volatility assumption applied since 30 June 2010 is based on the extrapolated implied volatility observed in the market, without applying a discount. When taking into account the discount of 7% on the volatility, the value of the option would have amounted to EUR 380 million. The gradual exercise strategy did not impact Ageas's intention to dividend out any advantage of exercise to its shareholders.

Tax

Ageas announced on 13 April 2010 its intention to liquidate its sub-holding Fortis Brussels SA/NV (renamed into Brussels Liquidation Holding), a process which has been completed end 2010. As a result, Ageas was in the position to recognize a deferred tax asset of EUR 405 million related to the expected tax loss carried forward of EUR 11.7 billion on the liquidation of Brussels Liquidation Holding in Belgium, offsetting among others the deferred tax liabilities recognized on the call option. Ageas had undertaken to pay out as a dividend any value realized with respect to the call option. Given the available tax loss carried forward, any future payout will be equal to the pre-tax value of the call.

Sensitivities

The applied volatility and the dividend yield assumptions have a significant influence on the value of the options. A change in volatility of 5% results in a 27% change in the theoretical value of the option. A decrease of the dividend yield to 4%, the other parameters remaining equal, results in a 16% increase of the theoretical value of the options, while an increase of the dividend yield to 6% results in a 9% decrease of the theoretical value of the options, all other parameters kept equal.

Royal Park Investments (RPI)

The 2010 result of RPI at 100% and before an impairment test of the goodwill amounted to a EUR 651 million net profit. This was primarily driven by the positive development of the marked-to-market valuation of the security portfolio as a result of decreasing interest spreads for these securities. At the end of each quarter RPI performs an impairment test on the goodwill recognised under IFRS. Since all proceeds received are used to redeem the funding, and no new business has been generated, the goodwill needs to be impaired over the expected maturity of the portfolio. Based on the periodic review of the performance going forward of the portfolio, the expected cash flows have been reduced which has led to a decision to impair EUR 359 million on the goodwill. In 2010, RPI's net profit under IFRS, including impairment of goodwill,

at 100%, amounted to EUR 294 million. As a consequence, Ageas accounted a positive contribution corresponding to its 44.7% stake of EUR 131 million (vs. EUR 0 million in 2009) into the net result, and reported under 'share in result of associates'. In addition, RPI concluded a number of interest rate swaps early 2010, exchanging variable interest streams into fixed interest streams. Ageas decided to apply cash flow hedge accounting on these swaps. All fair value movements flow through equity and increase the equity value as per 31 December (100%) by EUR 94 million or EUR 42 million for Ageas. As a result of both events, Ageas's equity investment in RPI increased from EUR 760 million to EUR 933 million end 2010.

Hereafter an update of RPI's balance sheet under IFRS:

<i>in EUR million</i>	IFRS 31-12-10	IFRS 31-12-09
Assets		
Securities	7,005	7,204
Deferred tax assets	681	943
Goodwill	1,367	1,724
Other assets	264	281
Total Assets	9,317	10,152
Liabilities and shareholders' equity		
Liabilities		
Other liabilities	86	237
Commercial paper	4,585	1,431
Funding, super senior	2,040	3,375
Funding, senior	519	3,409
Total Liabilities	7,230	8,452
Shareholders' equity		
Share capital	850	850
Share premium (additional paid in capital)	850	850
Cash Flow hedge reserves	94	
Retained earnings	294	
Total shareholders' equity	2,087	1,700
Total Liabilities and shareholders' equity	9,317	10,152

At the end of December 2010, the fair value of the loan portfolio under IFRS and the net debt outstanding amounted to EUR 7.0 billion and EUR 7.1 billion respectively, marked by an overall increase of the fair value of the assets.

Total net interest payments and principal collections in 2010 amounted to EUR 169 million and EUR 1.54¹¹ billion respectively. For more information on RPI and its assets, please refer to www.royalparkinvestments.com.



¹¹ Amounts converted at currency rates of 31 December 2010

Other items General

Net interest income amounted to EUR 16 million negative for the full year 2010 versus a positive net interest income of EUR 0.8 million last year. The 2009 interest income was still supported by the financing structure with Fortis Bank for EUR 5.7 billion generating positive interest margin up to 30 June 2009. In addition, interest rates came down which resulted in lower cash yield returns. The average 1 month Euribor decreased from 0.971% in 2009 to 0.567% in 2010. Finally, the 2009 result included a one-off benefit from interests received on overpaid corporate income tax in Belgium of EUR 5.5 million.

The decrease of realised capital gains in 2010 vs. 2009 relates primarily to the sale of 25% of AG Insurance to Fortis Bank in May 2009. In the fourth quarter of 2010 the sale of the Life insurance activities in Turkey (Fortis Emeklilik ve Hayat) was closed resulting in a limited capital gain (EUR 9 million) on the one hand while the sale of the Ukrainian Life activities to Horizon Capital was closed mid November 2010 resulting in a capital loss of EUR 14 million on the other hand. Early January 2010 the closing of the sale of the Non-Life operations in Luxembourg to La Bâloise was already announced. The three transactions combined resulted in a realised capital gain of EUR 7 million in 2010.

The negative result of EUR 423 million in '**Other capital gains**', is mainly explained by:

- ◆ EUR 149 million negative related to the variance of the fair value of RPN(I)
- ◆ EUR 271 million negative related to the fair value of the call option on the BNP Paribas shares

In 2010, RPI's net result under IFRS at 100%, after impairment of goodwill, amounted to EUR 294 million. Based on Ageas's share in RPI, it recorded a positive contribution of EUR 131 million into the net result, which is reported under 'Share in result of associates'.

As foreseen, **operating and administrative expenses** declined significantly in 2010. Staff expenses halved over the year to EUR 21 million, the result of scaling down the corporate centre. Other expenses also came down significantly to EUR 37 million but still include a number of one-off costs related among others to separation, restructuring and legal issues.

The result is positively driven by the recognition of a deferred tax assets for an amount of EUR 405 million related to the tax loss carried forward of EUR 11.7 billion following the liquidation of Brussels Liquidation Holding (previously Fortis Brussels). The shareholders meeting of Brussels Liquidation Holding approved the closing of the liquidation process on the 10th of December, meaning that Brussels Liquidation Holding effectively ceases to exist implying an important first step in the simplification in the holding structure.

In the course of the 4th quarter, further steps were taken to simplify the structure by merging several companies. As per 1 December ageas Utrecht N.V. and ageas Insurance N.V. have ceased to exist. Ageas Insurance International N.V. is now the remaining Dutch holding company.

Contingent liabilities

Please refer to note 52 of the Consolidated Financial Statements as per 31 December 2010 for the entire section of "Contingent liabilities" which will be published on internet on 17 March 2011. On pg. 9 of the press release Ageas has incorporated a summary of events since the publication of the half year numbers on the 25th of August 2010.

Net Cash position

The main elements of the statement of financial position of the General Account are summarized in the table below:

<i>in EUR million</i>	31 Dec 10	31 Dec 09
Cash and cash equivalents	2,259	4,276
Due from banks short term	500	-
Due to banks short term	-	(547)
Debt certificates	(549)	(915)
Net cash position	2,210	2,814
Due from customers	1,228	1,089
Due from banks long term	942	900
Due to banks long term	-	-
Subordinated liabilities	(2,961)	(2,917)
Other borrowings	(100)	(116)
Receivable on balance	(891)	(1,044)
Accruals and other	1,174	1,064
Equity General Account	2,493	2,834

The net cash position of the General Account on 31 December 2010, assuming full redemption of the European Medium Term Notes (EMTN) programme, came down from EUR 2.8 billion end 2009 to EUR 2.2 billion including EUR 0.5 billion invested in short term bank deposits.

The decrease of the net cash position is mainly explained by the payment of the 2009 dividend in early June (EUR 0.2 billion) and the investments in Tesco Underwriting and Kwik Fit Insurance Services in the UK (EUR 0.3 billion).

The slight increase of the subordinated liabilities from EUR 2.9 billion to EUR 3.0 billion is mainly explained by the impact of the strengthening of the value of NITSH I, an instrument originally denominated in USD.

The General Account equity decreased from EUR 2.8 billion to EUR 2.5 billion. The EUR 203 million increase in shareholders' equity following the conversion of the Mandatory Convertible Securities (MCS) at the Ageas's opening share price of the 7th of December 2010, was offset by the net charge in the General Account for the same amount. In addition the equity was reduced by the dividend payment over 2009 made in June 2010 along with the investments in the UK.

Investment portfolio and capital position

Investment portfolio

Ageas's investment portfolio at year end at fair value amounted to EUR 59.8 billion compared to EUR 56.4 billion end 2009, mainly due to new inflows. In the context of the growing concerns in Europe about the sustainability of certain economies, especially in the Southern part, Ageas decided to rebalance some of its investments in order to reduce the overall risk profile of its portfolio. At the end of 2010 90% of the investment portfolio was invested in fixed income securities, 4% in equities and the remaining 6% in real estate of which part for own use. Within the fixed income securities some shift took place towards corporate bonds moving from 31% to 35% of the total investment portfolio. Government bonds represented nearly all of the remaining investments with a small amount invested in structured credit products. More than 97% of the total bond portfolio is investment grade and 93% of the portfolio is rated A or higher.

In the course of the second half of 2010 and driven among others by the continued uncertainty of the financial markets and the significant restructuring of its sovereign debt portfolio earlier last year and leading to a significant yield loss going forward, Ageas decided to review its investment strategy.

The general profile of the investment portfolio and the way it is managed has not fundamentally changed and still reflects the long term nature of the liabilities towards policyholders. The vast majority of assets remains invested in fixed income securities with high ratings and relative long durations.

The table below provides a breakdown of Ageas's Available For Sale (AFS) investment portfolio and its real estate exposure, both at fair value.

The fixed income portfolio and other assets are managed according to a 'Buy and Hold' philosophy. Real estate investments remain an important asset class as they generate fixed revenue streams and provide a natural hedge against inflation risk. Equity securities are part of the investment mix and are expected to generate, over a longer period, excess returns for both the benefits of shareholders and policyholders.

With respect to the target asset mix, Ageas's management decided essentially to make an adjustment to the percentages allowed in corporate debt vs. government debt securities. The new target asset mix aims to increase the portion invested in corporate debt while reducing government bonds and assimilated, as such not changing the total percentage of fixed income securities compared to equity securities and real estate. Less than 1% remains allocated to alternative asset classes. Execution remains conditioned by sufficiently favourable market circumstances. In addition and because of the current uncertain economic circumstances, Ageas decided to limit until further notice new investments in financials.

Total gross unrealized gains on the investment portfolio fell from EUR 2.1 billion end 2009 to EUR 1.1 billion end 2010, mainly as a result of the sharp decrease of unrealized gains on government bonds.

Available for sale portfolio plus real estate at market value	in EUR billion				as %
	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09	
Fixed Income securities	53.6	51.2	90%	91%	
- Government debt securities	32.3	33.5	54%	59%	
- Corporate debt securities	20.9	17.3	35%	31%	
- Structured credit instruments	0.4	0.4	1%	1%	
Equity securities	2.3	1.6	4%	3%	
Real estate investment property	2.5	2.2	4%	4%	
Real estate for own use	1.4	1.4	2%	2%	
Total	59.8	56.4	100%	100%	

Fixed income portfolio

Fixed income securities represented 90% of the investment portfolio at the end of 2010, fairly stable year on year. Compared to last year investments in government bonds came down from 59% to 54% corresponding to an exposure of EUR 32.3 billion (at fair value), while the corporate bond investments increased from EUR 17.3 billion to EUR 20.9 billion or from 31% to 35% of the total fixed income portfolio with the remainder in structured credits.

Net unrealized gains on fixed income by year-end fell from EUR 1.5 billion end 2009 (of which government bonds EUR 0.9 billion and EUR 0.6 billion in corporate bonds) to EUR 49 million negative end 2010 broken down in EUR 0.5 billion of unrealized capital gains on corporate bonds nearly compensating the unrealized capital losses for the same amount on government bonds. The decrease in unrealized gains in government bonds is caused by an increase in spreads in several sovereigns compared to year-end 2009. Yields and spreads were quite volatile during the year. During the first nine months of the year lower yields more than compensated for the increase in spreads resulting in higher unrealized capital gains. However, during the last quarter the negative impact of a steep increase in yields more than off-set the compression in certain sovereign spreads.

Changes in unrealized gains and losses on bonds as a result of changes in yields do have an impact on net equity. However a global capital gain position is not taken into account in the calculation of the solvency except when assets are sold or impairments are being recognized.

Within the government bond portfolio assets the geographical mix has been adapted in various steps during the course of 2010. These actions were triggered by concerns about the concentration risk on a number of Southern European countries. At the end of May Ageas announced the sale of Portuguese, Italian, Greek and Spanish sovereign bonds for a total amount of EUR 8.9 billion at amortized cost. These assets were mostly part of the Belgian investment portfolio. The proceeds were mainly reinvested in Belgian, German, French, Dutch and Austrian sovereign bonds and partly in corporate bonds. As a result the total gross sovereign exposure to Southern European countries came down from EUR 17.8 billion end 2009 to EUR 8.9 billion end 2010 or 27% of the total government bond exposure. The gross exposure to Ireland amounts to EUR 0.6 billion. Adjusting Ageas's exposure for minority stakes, Ageas's net exposure to Southern Europe amounts to EUR 6.0 billion or EUR 6.4 billion including Ireland.

97% of the total investment portfolio is investment grade, 93% is rated A or higher and 73% AA or AAA.

The following table provides an overview of the evolution of the government bond portfolio by country of origin end 2010 compared to end 2009 (on a consolidated basis):

in EUR million	Historical / Amortised value		Gross unrealised gains (losses)	
	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09
Belgium	9,948.1	6,572.2	128.0	369.0
The Netherlands	1,288.2	663.6	48.0	17.6
Germany	2,628.8	1,632.3	149.9	42.9
Italy	3,683.4	8,598.0	(110.3)	314.9
France	4,069.6	1,638.5	92.4	80.2
Great Britain	600.4	545.6	12.8	7.7
Greece	1,832.0	4,317.8	(624.1)	(240.6)
Spain	1,730.0	1,943.9	(129.0)	58.5
Portugal	1,654.2	2,962.8	(142.4)	109.4
Austria	2,543.2	1,527.2	81.4	29.3
Finland	740.5	181.1	14.8	5.8
Ireland	599.1	580.2	(109.7)	17.6
Others	1,524.4	1,400.8	48.4	59.0
Total	32,841.9	32,564.0	(539.8)	871.3

The fair value of the corporate bond portfolio increased from EUR 17.3 billion end 2009 to EUR 20.9 billion end 2010. Investments in financials or financial-related companies increased slightly to EUR 8.8 billion while government agencies & supra-nationals, such as bonds issued by the European Investment Bank, increased from EUR 6.5 billion to EUR 7.5 billion, the remainder being invested in traditional corporates. Within its financials portfolio, Ageas has no single position above EUR 0.5 billion while EUR 0.7 billion is related to hybrid securities of which around 70% has a Tier 2 or a subordinated character. More than 90% is investment grade. By country, more than 85% of Ageas's corporate bond portfolio is exposed to Belgium, France, Germany, the Netherlands, Great Britain, Austria and European institutions. Overall 98% of the corporate bond portfolio is investment grade, 89% rated A or higher and 63% AA or AAA.

Equities portfolio

The equities investments have increased to EUR 2.3 billion end 2010 (vs. EUR 1.6 billion end 2009). Investments in real estate funds, bond funds and money market funds are also classified as equities and amounted to EUR 0.6 billion end 2010. A further increase of the equities portfolio was hampered by the volatility of the equity markets across 2010 which triggered Ageas's protection mechanisms on various occasions. Gross unrealized gains end of December 2010 remained nearly stable at EUR 139 million.

Real estate portfolio

The total value of Ageas's real estate portfolio increased from EUR 3.6 billion to EUR 3.9 billion at market value, split in EUR 2.5 billion in investment property and EUR 1.4 billion in buildings for own use. Unrealized capital gains remained stable at EUR 0.6 billion end 2010. The unrealized gain is not reflected in net equity, as real estate exposure is booked at amortised cost.

At the end of 2010, **AG Real Estate**, the 100% subsidiary of AG Insurance, had total assets under management of EUR 3.9 billion in portfolio at fair value, including EUR 1.0 billion securities. AG Real Estate also manages EUR 1.4 billion real estate assets on behalf of third parties. Office buildings and public car parks (via Interparking) represent each around one third of the total portfolio, the rest being made up essentially of retail and warehousing. In 2010, the Group has acquired for around EUR 0.6 billion of real estate assets with a view to further diversify its portfolio both geographically and in terms of assets. This included among others public parking assets allowing Interparking to strengthen its position in selected geographical markets and its position as one of the leading European public car park operators.

Capital position

Current capital levels¹² do reflect the specific characteristics of each of the businesses and are also based on capital requirement needs in view of the planned local organic growth and the local rating and solvency requirements. Based on the outcome of its strategic review in September 2009, Ageas decided to target a minimum aggregate solvency ratio of 200% of the regulatory requirement for its insurance operations. A further review of the capital requirements in each of its businesses could lead to a revision of this target going forward.

At the end of December, **discretionary capital** fell from EUR 1.3 billion end of December 2009 to EUR 0.5 billion, mainly as a result of the envisaged acquisition in Turkey and the UK, scope changes, i.e. the transfer of regional costs and Ageas Re to the General Account (EUR 0.2 billion), the reservation for the 2010 proposed dividend and the revaluation of RPN(I) (EUR 0.2 billion)



¹²The Capital position discussed below is the Ageas view. Based on the supervisory view the regulatory capital amounts to EUR 11.2 billion and the required solvency to EUR 3.3 billion resulting in a regulatory solvency ratio of EUR 343%.

Capital ratios

Key Capital Indicators			
<i>in EUR million</i>		31 Dec 10	31 Dec 09
Belgium			
Shareholders' equity		2,632	2,859
Total available capital		4,276	4,120
Minimum solvency requirements		2,163	2,008
Amount of total capital above minimum solvency requirements		2,113	2,112
Total solvency ratio		197.7%	205.2%
United Kingdom			
Shareholders' equity		776	513
Total available capital		745	472
Minimum solvency requirements		192	154
Amount of total capital above minimum solvency requirements		553	318
Total solvency ratio		388.5%	307.2%
Continental Europe			
Shareholders' equity		893	1,003
Total available capital		1,189	1,326
Minimum solvency requirements		562	529
Amount of total capital above minimum solvency requirements		627	797
Total solvency ratio		211.4%	250.3%
Asia			
Shareholders' equity		1,440	1,204
Total available capital		547	499
Minimum solvency requirements		56	52
Amount of total capital above minimum solvency requirements		491	447
Total solvency ratio		978.0% ¹³	955.3%
Total Insurance			
Shareholders' equity		5,741	5,579
Total available capital		6,757	6,417
Minimum solvency requirements		2,973	2,743
Amount of total capital above minimum solvency requirements		3,784	3,674
Total solvency ratio		227.3%	233.9%
General Account (after eliminations)			
Shareholders' equity		2,506	2,852
Total available capital		1,794	2,315



¹³ Under local Asian solvency regulation, different valuation rules apply leading to a solvency ratio for AICA of 492% end of December 2010

Ageas's total available capital amounted to EUR 8.6 billion on 31 December 2010 and exceeded the total consolidated regulatory minimum requirements of the insurance operations by EUR 5.6 billion, including the General Account. Total solvency ratio stood at 227%, compared with a 234% ratio end 2009. The increase of the legally required minimum capital for the insurance operations relates to the evolution of the business and the newly acquired business.

The solvency ratio of the Belgian operations declined to 198% as a result of higher intangible assets following investments within its real estate portfolio. The solvency ratio in the United

Kingdom increased to 389%. The high ratio is due to the start-up of Tesco Underwriting, fully capitalized but only starting to underwrite as of mid October. In Continental Europe, total solvency came down to 211%, mainly as a result of decreasing solvency margins in Portugal.

The total available capital of the General Account amounts to EUR 1.8 billion, compared to EUR 2.3 billion end 2009. The decrease can be explained by capital transfers to the operating companies to fund the acquisition of Kwik Fit Insurance Services and the start-up of Tesco Underwriting.

Reconciliation of shareholders' equity with total capital

The reconciliation of Ageas's shareholders' equity with total capital as at 31 December 2010 is shown below.

Ageas' Total capital <i>in EUR million</i>	31 Dec 10	31 Dec 09
Share capital and reserves	7,803	6,450
Net profit attributable to shareholders	223	1,210
Unrealized gains and losses	221	771
Shareholders' equity	8,247	8,431
Subordinated instruments	2,062	2,020
Non-controlling interests	1,622	1,654
Revaluation of real estate at fair value	564	559
Revaluation of debt securities, net of tax and shadow accounting	(152)	(810)
Revaluation of equity securities, net of tax and shadow accounting	(10)	(10)
Goodwill	(820)	(650)
Participation Royal Park Investments	(933)	(760)
Expected dividend	(197)	(201)
Expected dividend related to BNP Option	(609)	(581)
Other	(649)	(467)
Other prudential filters and deductions from total capital	(574)	(453)
Total capital	8,551	8,732

Participating interests that are not fully consolidated are deducted from total capital. The core equity instruments issued by Ageas and lent on to Fortis Bank SA/NV (NITSH I and part of NITSH II for a total of EUR 942 million) are not included within the subordinated instruments in the table above. The total capital calculation includes 90% of unrealised net-of-tax gains on real estate at AG Insurance and 100% of the unrealised gains on the remainder of the real estate portfolio. The value of the call option on BNP Paribas shares has been qualified as an expected dividend, as Ageas

will propose to dividend out the potential proceedings of the contemplated structure. As a result this amount is deducted from total capital.

The goodwill evolved from EUR 650 million end 2009 to EUR 820 million end 2010 and relates to currency rate movements and the goodwill recognised on the acquisition of Kwik Fit Insurance Services in the UK.

Analyst & Investor conference call:**09 March 2011 at 09.30 CET (08.30 UK time)**Audiocast: www.ageas.com

Listen only (Access code 205289#):

+ 44 207 750 9926 (United Kingdom)

+ 32 2 400 25 25 (Belgium)

+ 1 703 621 9123 (US)

Replay: available until

09 April 2011 (Access Code: 338760#)

+ 32 2 401 89 89 (Belgium)

Lines will be open ten minutes before the presentation starts, so please dial in five to ten minutes in advance,

Press conference:**09 March 2011 at 11.30 CET (10.30 UK time)****Venue:****Ageas****Rue du Marquis 1****Markiesstraat 1****1000 Brussels, Belgium**Audiocast: www.ageas.com

No call facilities have been foreseen

Disclaimer

The information on which the statements in this press release are based may be subject to change and this press release may also contain certain projections or other forward looking-statements concerning Ageas. These statements are based on current expectations of the management of Ageas and are naturally subject to uncertainties, assumptions and changes in circumstances. The financial information included in this management statement is unaudited.

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.

Annexes

Annex 1: Consolidated Statement of financial position as per 31 December 2010

<i>in EUR million</i>	31 December 2010	31 December 2009
Assets		
Cash and cash equivalents	3,258.3	5,635.7
Financial investments	56,232.5	53,070.1
Investment property	1,900.3	1,652.7
Loans	4,528.2	4,132.3
Investments related to unit-linked contracts	21,747.3	20,694.8
Investments in associates	1,732.5	1,403.6
Reinsurance and other receivables	3,828.5	1,263.7
Current tax assets	71.5	102.8
Deferred tax assets	465.1	53.0
Call option BNP Paribas shares	609.0	880.0
Accrued interest and other assets	2,042.5	1,847.6
Property, plant and equipment	1,065.0	1,108.1
Goodwill and other intangible assets	1,686.0	1,376.4
Assets held for sale		103.2
Total assets	99,166.7	93,324.0
Liabilities		
Liabilities arising from life insurance contracts	23,938.4	22,930.8
Liabilities arising from life investment contracts	26,913.8	24,332.7
Liabilities related to unit-linked contracts	21,830.9	20,772.8
Liabilities arising from Non-Life insurance contracts	5,448.6	4,934.0
Debt certificates	548.9	915.0
Subordinated liabilities	2,926.9	2,850.3
Borrowings	2,141.7	2,773.8
Current tax liabilities	46.4	106.2
Deferred tax liabilities	682.3	1,024.5
RPN(I)	465.0	316.0
Accrued interest and other liabilities	1,947.0	2,209.4
Provisions	2,407.6	34.2
Liabilities related to assets held for sale		39.3
Total liabilities	89,297.5	83,239.0
Shareholders' equity	8,247.1	8,431.0
Non-controlling interests	1,622.1	1,654.0
Total equity	9,869.2	10,085.0
Total liabilities and equity	99,166.7	93,324.0

* 2009 accounts have been restated following new reporting segmentation and changed accounting rules in China

Annex 2: Income Statement

<i>in EUR million</i>	2010	2009
Income		
- Gross premium income	9,751.6	9,247.9
- Change in unearned premiums	(181.9)	(32.4)
- Ceded earned premiums	(246.0)	(192.4)
Net earned premiums	9,323.7	9,023.1
Interest, dividend and other investment income	3,005.3	3,123.4
Unrealised gain (loss) on Call option BNP Paribas shares	(271.0)	880.0
Unrealised gain (loss) on RPN(I)	(149.0)	(316.0)
Realised and unrealised gains and losses	87.8	952.6
Investment income related to unit-linked contracts	788.0	2,307.1
Share of result of associates	186.3	81.3
Fee and commission income	428.0	375.2
Other income	248.0	322.3
Total income	13,647.1	16,749.0
Expenses		
- Insurance claims and benefits, gross	(9,768.8)	(9,290.4)
- Insurance claims and benefits, ceded	165.6	64.9
Insurance claims and benefits, net	(9,603.2)	(9,225.5)
Charges related to unit-linked contracts	(755.0)	(2,324.6)
Finance costs	(298.4)	(497.8)
Change in impairments	(33.9)	(467.4)
Change in provisions	0.8	42.0
- Liability related to MCS conversion	(202.8)	
- Claim on ABN AMRO	2,000.0	
- Reversal of impairment FCC claim	362.5	
- Provision for Legal disputes with Dutch State	(2,362.5)	
Total impact conversion MCS/ disputes Dutch State	(202.8)	
Fee and commission expense	(1,052.4)	(972.0)
Staff expenses	(694.1)	(640.4)
Other expenses	(866.9)	(1,015.3)
Total expenses	(13,505.9)	(15,101.0)
Profit before taxation	141.2	1,648.0
Income tax expenses	222.6	(317.8)
Net profit for the period	363.8	1,330.2
Attributable to non-controlling interests	140.7	120.4
Net profit attributable to shareholders	223.1	1,209.8
Per share data (EUR)		
Basic earnings per share	0.09	0.49
Diluted earnings per share	0.09	0.49

Annex 3: Key performance indicators

Belgium

<i>in EUR million</i>	FY 10	FY 09	Change	H2 10	H2 09	H1 10
Life						
Gross Inflow	5,118.7	5,351.7	(4%)	2,467.8	2,605.8	2,650.9
- Individual Single	3,368.9	3,558.0	(5%)	1,557.6	1,661.9	1,811.3
- Individual Regular	699.6	671.4	4%	375.0	365.6	324.6
- Group Single	325.9	357.7	(9%)	168.6	206.4	157.3
- Group Regular	724.3	764.6	(5%)	366.6	371.9	357.7
New business life - APE	463.5	437.2	6%	216.1	214.4	247.4
Non-Life						
Gross written premiums	1,590.7	1,515.4	5%	739.0	707.0	851.7
- Accident & Health	456.0	439.0	4%	199.9	194.0	256.1
- Motor	512.9	472.0	9%	241.8	222.9	271.1
- Fire	487.2	474.1	3%	236.4	228.7	250.8
- Other	134.6	130.3	3%	60.9	61.4	73.7
Technical Result	0.7	73.2	(99%)	(4.1)	54.6	4.8
- Accident & Health	33.4	64.7	(48%)	22.4	35.5	11.0
- Motor	(6.4)	4.8	*	(3.1)	9.1	(3.3)
- Fire	(92.1)	(21.0)	*	(88.4)	(4.6)	(3.7)
- Other	65.8	24.7	*	65.0	14.6	0.8
Non-Life total						
Claims ratio	71.0%	66.4%		71.4%	64.2%	70.5%
Expense ratio	36.4%	36.8%		36.2%	36.6%	36.6%
Combined ratio	107.4%	103.2%		107.6%	100.8%	107.1%
Non-Life Property & Casualty						
Claims ratio	65.8%	62.2%		67.7%	59.9%	63.8%
Expense ratio	42.3%	42.5%		42.0%	41.9%	42.7%
Combined ratio	108.1%	104.7%		109.7%	101.8%	106.5%
Non-Life Accident & Health						
Claims ratio	83.6%	76.7%		80.9%	75.1%	86.2%
Expense ratio	21.9%	22.6%		21.8%	22.9%	22.1%
Combined ratio	105.5%	99.3%		102.7%	98.0%	108.3%

<i>in EUR million</i>	FY 10	FY 09	Change	H2 10 ¹⁾	H2 09 ¹⁾	H1 10
No. of FTEs	5,705	5,635	1%	5,705	5,635	5,740
Regulatory Minimum Margin	2,162.7	2,007.8	8%	2,162.7	2,007.8	2,100.4
Life						
Total Reserves - Life	48,198.9	45,377.3	6%	48,198.9	45,377.3	46,925.5
- Insurance and investment contracts	41,511.7	38,807.8	7%	41,511.7	38,807.8	40,335.4
- Unit-linked contracts	6,687.2	6,569.5	2%	6,687.2	6,569.5	6,590.1
- Operating cost Life/FUM Life ratio (annualised)	0.38%	0.41%	(7%)	0.38%	0.41%	0.39%
Non-Life						
Total Reserves - Non-Life	3,141.4	2,973.3	6%	3,141.4	2,973.3	3,082.6
Reserves / Premium ratio	204%	202%	1%	204%	202%	202%

United Kingdom

<i>in EUR million</i>	FY 10	FY 09	Change	H2 10	H2 09	H1 10
Life						
Gross Inflow	27.5	9.9	*	16.3	6.8	11.2
- Individual Single	-	-	*	-	(3.1)	-
- Individual Regular	27.5	9.9	*	16.3	9.9	11.2
- Group Single	-	-	*	-	-	-
- Group Regular	-	-	*	-	-	-
New business life - APE	26.4	16.7	58%	14.2	13.6	12.2
Non-Life						
Gross written premiums	1,179.3	903.3	31%	641.0	454.2	538.3
- Accident & Health	67.0	54.4	23%	34.8	29.0	32.2
- Motor	655.6	500.0	31%	359.8	224.9	295.8
- Fire	294.9	233.9	26%	159.3	130.6	135.6
- Other	161.8	115.0	41%	87.1	69.7	74.7
Technical Result	(43.1)	(18.0)	*	(39.6)	(23.3)	(3.5)
- Accident & Health	(11.7)	(4.0)	*	(5.6)	(2.3)	(6.1)
- Motor	1.5	(24.9)	*	6.8	(29.2)	(5.3)
- Fire	(31.6)	7.2	*	(37.4)	7.8	5.8
- Other	(1.3)	3.7	*	(3.4)	0.4	2.1
Non-Life total						
Claims ratio	81.5%	80.4%		86.0%	84.7%	76.4%
Expense ratio	28.0%	27.7%		26.2%	27.1%	30.1%
Combined ratio	109.5%	108.1%		112.2%	111.8%	106.5%
Non-Life Property & Casualty						
Claims ratio	80.4%	80.2%		85.2%	84.6%	75.0%
Expense ratio	28.3%	27.8%		26.6%	27.2%	30.2%
Combined ratio	108.7%	108.0%		111.8%	111.8%	105.2%
Non-Life Accident & Health						
Claims ratio	97.9%	83.5%		97.9%	85.3%	97.9%
Expense ratio	24.0%	26.2%		21.0%	25.7%	27.6%
Combined ratio	121.9%	109.7%		118.9%	111.0%	125.5%

<i>in EUR million</i>	FY 10	FY 09	Change	H2 10	H2 09	H1 10
No. of FTEs	4,327	2,827	53%	4,327	2,827	3,013
Regulatory Minimum Margin	191.7	153.8	25%	191.7	153.8	186.3
Non-Life						
Total Reserves - Non-Life	1,602.2	1,280.7	25%	1,602.2	1,280.7	1,478.8
Reserves / Premium ratio	169%	154%	10%	169%	154%	166%

Continental Europe

<i>in EUR million</i>	FY 10	FY 09	Change	H2 10	H2 09	H1 10
Life						
Gross Inflow	3,489.7	3,705.9	(6%)	1,509.2	2,058.6	1,980.5
- Individual Single	2,935.2	3,137.5	(6%)	1,253.0	1,791.4	1,682.2
- Individual Regular	438.0	447.8	(2%)	214.7	225.4	223.3
- Group Single	9.2	11.9	(22%)	5.1	6.2	4.1
- Group Regular	107.3	108.7	(1%)	36.4	35.6	70.9
New business life - APE	349.9	415.7	(16%)	140.7	231.9	209.2
Non-Life						
Gross written premiums	443.5	235.4	88%	214.6	107.5	228.9
- Accident & Health	237.8	147.2	62%	113.2	66.8	124.6
- Motor	103.2	22.5	*	49.4	11.1	53.8
- Fire	62.4	49.7	25%	31.9	23.3	30.5
- Other	40.1	16.0	*	20.1	6.3	20.0
Technical Result	5.8	22.4	(74%)	(1.2)	13.3	7.0
- Accident & Health	13.0	7.8	65%	6.7	2.5	6.3
- Motor	(14.1)	-	*	(9.0)	1.1	(5.1)
- Fire	8.1	14.0	(42%)	4.3	9.1	3.8
- Other	(1.2)	0.6	*	(3.2)	0.6	2.0
Non-Life total						
Claims ratio	71.2%	62.7%		70.7%	61.2%	71.6%
Expense ratio	30.3%	27.6%		33.0%	28.1%	27.5%
Combined ratio	101.5%	90.3%		103.7%	89.3%	99.1%
Non-Life Property & Casualty						
Claims ratio	79.5%	45.8%		82.2%	38.0%	76.8%
Expense ratio	28.7%	31.8%		30.9%	28.2%	26.5%
Combined ratio	108.2%	77.6%		113.1%	66.2%	103.3%
Non-Life Accident & Health						
Claims ratio	64.5%	70.6%		61.7%	71.8%	67.4%
Expense ratio	31.5%	25.7%		34.6%	28.0%	28.3%
Combined ratio	96.0%	96.3%		96.3%	99.8%	95.7%

<i>in EUR million</i>	FY 10	FY 09	Change	H2 10	H2 09	H1 10
No. of FTEs	1,270	1,745	(27%)	1,270	1,745	1,443
Regulatory Minimum Margin	562.4	529.5	6%	562.4	529.5	555.3
Life						
Total Reserves - Life	23,067.7	21,532.3	7%	23,067.7	21,532.3	22,455.0
- Insurance and investment contracts	8,314.3	7,599.6	9%	8,314.3	7,599.6	8,209.0
- Unit-linked contracts	14,753.4	13,932.7	6%	14,753.4	13,932.7	14,246.0
- Operating cost Life/FUM Life ratio (annualised)	0.56%	0.64%	(13%)	0.56%	0.64%	0.56%
Non-Life						
Total Reserves - Non-Life	617.9	581.5	6%	617.9	581.5	604.4
Reserves / Premium ratio	167%	299%	(44%)	167%	299%	166%

Asia

<i>in EUR million</i>	FY 10	FY 09	Change	H2 10	H2 09	H1 10
Life						
Gross Inflow	335.0	296.8	13%	184.5	156.0	150.5
- Individual Single	29.0	21.7	34%	19.2	16.0	9.8
- Individual Regular	302.7	271.3	12%	163.8	138.5	138.9
- Group Single	0.1	0.3	(69%)	-	0.1	0.1
- Group Regular	3.2	3.5	(8%)	1.5	1.4	1.7
New business life - APE	65.5	53.3	23%	41.9	29.4	23.6

<i>in EUR million</i>	FY 10	FY 09	Change	H2 10	H2 09	H1 10
No. of FTEs	320	278	15%	320	278	320
Regulatory Minimum Margin	55.9	52.3	7%	55.9	52.3	65.3
Life						
Total Reserves - Life	1,419.1	1,130.2	26%	1,419.1	1,130.2	1,371.3
- Insurance and investment contracts	1,028.8	859.6	20%	1,028.8	859.6	1,046.7
- Unit-linked contracts	390.3	270.6	44%	390.3	270.6	324.6
- Operating cost Life/FUM Life ratio (annualised)	2.96%	3.06%	(3%)	2.96%	3.06%	2.95%

Annex 4: Full year data per segment

Belgium

Income Statement - Life

Belgium - Life - in EUR million	FY 10	H2 10	H1 10	FY 09	H2 09	H1 09
Gross written premiums	4,529.5	2,258.4	2,271.1	4,768.7	2,318.2	2,450.5
Investment contracts without dpf	589.2	209.4	379.8	583.0	287.6	295.4
Gross inflow Life	5,118.7	2,467.8	2,650.9	5,351.7	2,605.8	2,745.9
Operating costs	(176.6)	(87.9)	(88.7)	(177.4)	(93.8)	(83.6)
Technical result	343.2	156.3	186.9	385.3	228.1	157.2
Allocated capital gains	(43.1)	15.9	(59.0)	(71.7)	(26.1)	(45.6)
Operating margin	300.1	172.2	127.9	313.6	202.0	111.6
Non-allocated other income and expenses	161.9	101.3	60.6	90.2	50.7	39.5
Profit before taxation	462.0	273.5	188.5	403.8	252.7	151.1
Income tax expenses	(122.5)	(73.1)	(49.4)	(32.1)	(63.6)	31.5
Net profit attributable to non-controlling interests	87.3	51.5	35.8	55.6	46.8	8.8
Net profit attributable to shareholders	252.2	148.9	103.3	316.1	142.3	173.8

Income Statement - Non-Life

Belgium - Non-Life - in EUR million	FY 10	H2 10	H1 10	FY 09	H2 09	H1 09
Gross written premiums Non-Life	1,590.7	739.0	851.7	1,515.4	707.0	808.4
Operating costs	(263.3)	(131.8)	(131.5)	(249.7)	(124.0)	(125.7)
Technical result	0.7	(4.1)	4.8	73.2	54.6	18.6
Allocated capital gains	(1.6)	43.9	(45.5)	(9.3)	(4.2)	(5.1)
Operating margin	(0.9)	39.8	(40.7)	63.9	50.4	13.5
Non-allocated other income and expenses	19.7	12.1	7.6	13.5	6.4	7.1
Profit before taxation	18.8	51.9	(33.1)	77.4	56.8	20.6
Income tax expenses	(3.3)	(16.1)	12.8	(14.0)	(16.5)	2.5
Net profit attributable to non-controlling interests	4.2	9.1	(4.9)	13.1	11.6	1.5
Net profit attributable to shareholders	11.3	26.7	(15.4)	50.3	28.7	21.6

Income Statement

Belgium - in EUR million	FY 10	H2 10	H1 10	FY 09	H2 09	H1 09
Gross inflow	6,709.4	3,206.8	3,502.6	6,867.1	3,312.8	3,554.3
Operating costs	(439.9)	(219.7)	(220.2)	(427.1)	(217.8)	(209.3)
Net profit attributable to shareholders	263.5	175.6	87.9	366.4	171.0	195.4

United Kingdom

Income Statement - Life

UK - Life - in EUR million	FY 10	H2 10	H1 10	FY 09	H2 09	H1 09
Gross written premiums	27.5	16.3	11.2	9.9	6.8	3.1
Investment contracts without dpf	-	-	-	-	-	-
Gross inflow Life	27.5	16.3	11.2	9.9	6.8	3.1
Operating costs	(30.6)	(19.3)	(11.3)	(20.0)	(10.2)	(9.8)
Technical result	(13.4)	(10.2)	(3.2)	(9.0)	(3.8)	(5.2)
Allocated capital gains	-	-	-	-	-	-
Operating margin	(13.4)	(10.2)	(3.2)	(9.0)	(3.8)	(5.2)
Non-allocated other income and expenses	1.5	0.7	0.8	0.9	0.5	0.4
Profit before taxation	(11.9)	(9.5)	(2.4)	(8.1)	(3.3)	(4.8)
Income tax expenses	3.3	2.6	0.7	2.2	0.9	1.3
Net profit attributable to minority interests	-	-	-	-	-	-
Net profit attributable to shareholders	(8.6)	(6.9)	(1.7)	(5.9)	(2.4)	(3.5)

Income Statement - Non-Life

UK - Non-Life - in EUR million	FY 10	H2 10	H1 10	FY 09	H2 09	H1 09
Gross written premiums Non-Life	1,179.3	641.0	538.3	903.3	454.2	449.1
Operating costs	(93.0)	(47.5)	(45.5)	(75.5)	(35.1)	(40.4)
Technical result	(43.1)	(39.6)	(3.5)	(18.0)	(23.3)	5.3
Allocated capital gains	2.9	0.8	2.1	9.9	0.8	9.1
Operating margin	(40.2)	(38.8)	(1.4)	(8.1)	(22.5)	14.4
Non-allocated other income and expenses	2.7	0.3	2.4	15.0	5.4	9.6
Profit before taxation	(37.5)	(38.5)	1.0	6.9	(17.1)	24.0
Income tax expenses	10.2	10.5	(0.3)	(2.2)	4.5	(6.7)
Net profit attributable to minority interests	(6.6)	(5.2)	(1.4)	(0.5)	(0.5)	-
Net profit attributable to shareholders	(20.7)	(22.8)	2.1	5.2	(12.1)	17.3

Income Statement - Other Insurance

UK - Other Insurance - in EUR million	FY 10	H2 10	H1 10	FY 09	H2 09	H1 09
Fee and commission income	138.2	78.8	59.4	111.2	57.2	54.0
Other income	42.1	39.8	2.3	0.4	(0.1)	0.5
Staff expenses	(64.7)	(40.5)	(24.2)	(43.9)	(22.2)	(21.7)
Other expenses	(95.1)	(68.6)	(26.5)	(47.1)	(24.1)	(23.0)
Profit before taxation	20.5	9.5	11.0	20.6	10.8	9.8
Income tax expenses	(8.0)	(4.9)	(3.1)	(6.2)	(3.4)	(2.8)
Net profit attributable to minority interests	-	-	-	-	-	-
Net profit attributable to shareholders	12.5	4.6	7.9	14.4	7.4	7.0

Income Statement

UK - in EUR million	FY 10	H2 10	H1 10	FY 09	H2 09	H1 09
Gross inflow	1,206.8	657.3	549.5	913.2	461.0	452.2
Operating costs	(123.6)	(66.8)	(56.8)	(95.5)	(45.3)	(50.2)
Net profit attributable to shareholders	(16.8)	(25.1)	8.3	13.7	(7.1)	20.8

Continental Europe

Income Statement - Life

Continental Europe - Life - in EUR million	FY 10	H2 10	H1 10	FY 09	H2 09	H1 09
Gross written premiums	1,748.3	641.6	1,106.7	1,601.2	809.6	791.6
Investment contracts without dpf	1,741.4	867.6	873.8	2,104.7	1,249.0	855.7
Gross inflow Life	3,489.7	1,509.2	1,980.5	3,705.9	2,058.6	1,647.3
Operating costs	(124.6)	(63.0)	(61.6)	(128.9)	(65.6)	(63.3)
Technical result	129.0	89.8	39.2	85.0	39.3	45.7
Allocated capital gains	-	(2.9)	2.9	0.4	0.1	0.3
Operating margin	129.0	86.9	42.1	85.4	39.4	46.0
Non-allocated other income and expenses	20.3	8.5	11.8	19.9	15.1	4.8
Profit before taxation	149.3	95.4	53.9	105.3	54.5	50.8
Income tax expenses	(45.6)	(25.9)	(19.7)	(33.3)	(15.9)	(17.4)
Net profit attributable to minority interests	55.5	36.0	19.5	44.7	23.8	20.9
Net profit attributable to shareholders	48.2	33.5	14.7	27.3	14.8	12.5

Income Statement - Non-Life

Continental Europe - Non-Life - in EUR million	FY 10	H2 10	H1 10	FY 09	H2 09	H1 09
Gross written premiums Non-Life	443.5	214.6	228.9	235.4	107.5	127.9
Operating costs	(81.7)	(45.3)	(36.4)	(45.5)	(22.7)	(22.8)
Technical result	5.8	(1.2)	7.0	22.4	13.3	9.1
Allocated capital gains	1.6	0.1	1.5	-	-	--
Operating margin	7.4	(1.1)	8.5	22.4	13.3	9.1
Non-allocated other income and expenses	0.5	1.7	(1.2)	(0.4)	0.1	(0.5)
Profit before taxation	7.9	0.6	7.3	22.0	13.4	8.6
Income tax expenses	(3.2)	(0.7)	(2.5)	(6.8)	(4.2)	(2.6)
Net profit attributable to minority interests	1.8	(0.5)	2.3	8.2	4.7	3.5
Net profit attributable to shareholders	2.9	0.4	2.5	7.0	4.5	2.5

Income Statement

Continental Europe - in EUR million	FY 10	H2 10	H1 10	FY 09	H2 09	H1 09
Gross inflow	3,933.2	1,723.8	2,209.4	3,941.3	2,166.1	1,775.2
Operating costs	(206.3)	(108.3)	(98.0)	(174.4)	(88.3)	(86.1)
Net profit attributable to shareholders	51.1	33.9	17.2	34.3	19.3	15.0

Asia

Income Statement - Life

Asia - Life - in EUR million	FY 10	H2 10	H1 10	FY 09	H2 09	H1 09
Gross written premiums	232.9	126.8	106.1	214.7	111.6	103.1
Investment contracts without dpf	102.1	57.7	44.4	82.1	44.4	37.7
Gross inflow Life	335.0	184.5	150.5	296.8	156.0	140.8
Operating costs	(37.7)	(19.3)	(18.4)	(32.1)	(13.3)	(18.8)
Technical result	8.7	(2.4)	11.1	11.6	6.6	5.0
Allocated capital gains	40.9	6.9	34.0	4.4	4.1	0.3
Operating margin	49.6	4.5	45.1	16.0	10.7	5.3
Non-allocated other income and expenses	(8.1)	(5.1)	(3.0)	(9.4)	(4.6)	(4.8)
Profit before taxation, consolidated entities	41.5	(0.6)	42.1	6.6	6.1	0.5
Profit before taxation, associates	45.1	24.8	20.3	73.8	49.2	24.6
Income tax expenses	(1.6)	(1.4)	(0.2)	(2.1)	(1.1)	(1.0)
Net profit attributable to minority interests	-	-	-	-	-	-
Net profit attributable to shareholders	85.0	22.8	62.2	78.3	54.2	24.1

Income Statement - Non-Life

Asia - Non-Life - in EUR million	FY 10	H2 10	H1 10	9M 09	H2 09	H1 09
Gross written premiums Non-Life	-	-	-	-	-	-
Operating costs	-	-	-	-	-	-
Technical result	-	-	-	-	-	-
Allocated capital gains	-	-	-	-	-	-
Operating margin	-	-	-	-	-	-
Non-allocated other income and expenses	-	-	-	-	-	-
Profit before taxation, consolidated entities	-	-	-	-	-	-
Profit before taxation, associates	8.5	3.6	4.9	12.3	7.2	5.1
Income tax expenses	-	-	-	-	-	-
Net profit attributable to minority interests	-	-	-	-	-	-
Net profit attributable to shareholders	8.5	3.6	4.9	12.3	7.2	5.1

Income Statement

Asia - in EUR million	FY 10	H2 10	H1 10	9M 09	H2 09	H1 09
Gross inflow	335.0	184.5	150.5	296.8	156.0	140.8
Operating costs	(37.7)	(19.3)	(18.4)	(32.1)	(13.3)	(18.8)
Net profit attributable to shareholders	93.5	26.4	67.1	90.6	61.4	29.2

General Account

Income Statement							
<i>in EUR million</i>	FY 10	H2 10	H1 10	FY 09	H2 09	H1 09	
Net interest Income	(15.6)	(16.4)	0.8	0.8	(21.9)	22.7	
Realised capital gains (losses) on investments	7.0	(5.8)	12.8	717.8	18.3	699.5	
Other capital gains	(422.6)	(283.9)	(138.7)	681.0	173.3	507.7	
Share in result of associates	127.3	107.1	20.2	(9.2)	(1.0)	(8.2)	
Other income	1.4	2.6	(1.2)	(14.2)	(10.3)	(3.9)	
Total income	(302.5)	(196.4)	(106.1)	1,376.2	158.4	1,217.8	
Change in impairments	0.6	0.2	0.4	(350.2)	13.7	(363.9)	
Net revenues	(301.9)	(196.2)	(105.7)	1,026.0	172.1	853.9	
- Liability related to MCS conversion	(202.8)	(202.8)					
- Claim on ABN AMRO	2,000.0	2,000.0					
- Reversal of impairment FCC claim	362.5	362.5					
- Provision for Legal disputes with Dutch State	(2,362.5)	(2,362.5)					
Total impact conversion MCS/ disputes Dutch State	(202.8)	(202.8)					
Staff expenses	(20.9)	(10.8)	(10.1)	(33.8)	(14.0)	(19.8)	
Other operating and administrative expenses	(37.4)	(19.0)	(18.4)	(64.7)	(32.0)	(32.7)	
Total expenses	(261.1)	(232.6)	(28.5)	(98.5)	(46.0)	(52.5)	
Profit before taxation	(562.9)	(428.7)	(134.2)	927.5	126.1	801.4	
Income tax expenses	393.3	(13.9)	407.2	(223.3)	(57.3)	(166.0)	
Net profit for the period	(169.7)	(442.7)	273.0	704.2	68.8	635.4	
Net profit attributable to non-controlling interests	(1.5)	-	(1.5)	(0.6)	(0.6)	-	
Net profit attributable to shareholders	(168.2)	(442.7)	274.5	704.8	69.4	635.4	

Annex 5: Comparable inflow data

By segment in EUR million	FY 10	FY 09	%	H2 10	H2 09	%	H1 10
Belgium							
Gross written premiums	4,529	4,769	(5%)	2,258	2,318	(3%)	2,271
Investment contracts without DPF	589	583	1%	209	288	(27%)	380
Gross inflow Life	5,118	5,352	(4%)	2,467	2,606	(5%)	2,651
Gross written premiums Non-Life	1,591	1,515	5%	739	707	5%	852
Total inflow Belgium	6,709	6,867	(2%)	3,206	3,313	(3%)	3,503
United Kingdom							
Gross written premiums	28	10	*	17	7	*	11
Investment contracts without DPF	-	-	*	-	-	*	-
Gross inflow Life	28	10	*	17	7	*	11
Gross written premiums Non-Life	1,179	903	31%	641	454	41%	538
Total inflow United Kingdom	1,207	913	32%	658	461	43%	549
Continental Europe							
Gross written premiums	1,749	1,601	9%	642	810	(21%)	1,107
Investment contracts without DPF	1,741	2,104	(17%)	867	1,249	(31%)	874
Gross inflow Life	3,490	3,705	(6%)	1,509	2,059	(27%)	1,981
Gross written premiums Non-Life	443	236	87%	214	108	99%	229
Total inflow Continental Europe	3,933	3,941	(0%)	1,723	2,167	(21%)	2,210
Asia							
Gross written premiums	233	215	8%	127	112	14%	106
Investment contracts without DPF	102	82	24%	57	44	28%	45
Gross inflow Life	335	297	13%	184	156	18%	151
Gross written premiums Non-Life	-	-	*	-	-	*	-
Total inflow consolidated entities	335	297	13%	184	156	18%	151
Non-consolidated partnerships at 100%	5,759	3,774	53%	2,536	1,791	42%	3,223
Total inflow Asia	6,094	4,071	50%	2,720	1,947	40%	3,374
Total inflow	17,943	15,792	14%	8,307	7,888	5%	9,636

By type							
<i>in EUR million</i>	FY 10	FY 09	%	H2 10	H2 09	%	H1 10
Life							
Belgium	5,118	5,352	(4%)	2,467	2,606	(5%)	2,651
United Kingdom	28	10	*	17	7	*	11
Continental Europe	3,490	3,705	(6%)	1,509	2,059	(27%)	1,981
Asia	5,578	3,689	51%	2,474	1,779	39%	3,104
<i>Fully consolidated</i>	335	297	13%	184	156	18%	151
<i>Non-consolidated partnerships at 100%</i>	5,243	3,392	55%	2,290	1,623	41%	2,953
Total inflow Life	14,214	12,756	11%	6,467	6,451	0%	7,747
Non-Life							
Belgium	1,591	1,515	5%	739	707	5%	852
United Kingdom	1,179	903	31%	641	454	41%	538
Continental Europe	443	236	88%	214	108	98%	229
Asia	516	382	35%	246	168	46%	270
<i>Fully consolidated</i>	-	-	*	-	-	*	-
<i>Non-consolidated partnerships at 100%</i>	516	382	35%	246	168	46%	270
Total gross written premiums Non-Life	3,729	3,036	23%	1,840	1,437	28%	1,889
Total inflow	17,943	15,792	14%	8,307	7,888	5%	9,636

Annex 6: Inflows per region

Key Figures per region		Gross written premiums														
in EUR million		Gross inflow Life					Non- Life					Total				
	% ownership	FY 10	FY 09	H2 10	H2 09	H1 10	FY 10	FY 09	H2 10	H2 09	H1 10	FY 10	FY 09	H2 10	H2 09	H1 10
Belgium	75%	5,118	5,352	2,467	2,606	2,651	1,591	1,515	739	707	852	6,709	6,867	3,206	3,313	3,503
United Kingdom	100%	28	10	17	7	11	1,179	903	641	454	538	1,207	913	658	461	549
Continental Europe		3,490	3,705	1,509	2,059	1,981	443	236	214	108	229	3,933	3,941	1,723	2,167	2,210
Portugal	51%	1,724	2,163	667	993	1,057	230	214	109	101	121	1,954	2,377	776	1,094	1,178
France	100%	375	335	167	182	208	-	-	-	-	-	375	335	167	182	208
Luxembourg	50%/100%	1,293	1,102	636	830	657	-	22	-	7	-	1,293	1,124	636	837	657
Ukraine	100%	2	2	1	1	1	-	-	-	-	-	2	2	1	1	1
Germany	100%	45	41	22	25	23	-	-	-	-	-	45	41	22	25	23
Turkey	100%	51	62	16	28	35	-	-	-	-	-	51	62	16	28	35
Italy	25%	-	-	-	-	-	213	-	105	-	108	213	-	105	-	108
Russia	100%	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-
Asia		5,578	3,689	2,474	1,779	3,104	516	382	246	168	270	6,094	4,071	2,720	1,947	3,374
Consolidated entities																
Hong Kong	100%	335	297	184	156	151	-	-	-	-	-	335	297	184	156	151
Non-consolidated partnerships at 100%																
Malaysia	31%	717	498	285	224	432	405	293	186	123	219	1,122	791	471	347	651
Thailand	31%/13%	714	456	365	223	349	111	89	60	45	51	825	545	425	268	400
China	25%	3,681	2,371	1,572	1,142	2,109	-	-	-	-	-	3,681	2,371	1,572	1,142	2,109
India	26%	131	67	68	34	63	-	-	-	-	-	131	67	68	34	63
Grand Total		14,214	12,756	6,467	6,451	7,747	3,729	3,036	1,840	1,437	1,889	17,943	15,792	8,307	7,888	9,636