

VIF

The table below reports the breakdown of VIF for 2012 and 2011 into its components.

Breakdown of Value in-force as at 31 December 2012 and 2011 (€ mln)

Value before Time Value of FG&O	10,000
Time Value of FG&O	(3,221)
PVFP after Time Value of FG&O	6,779
Cost of capital	(1,252)
Cost of NHR	(1,555)
Value in-force	3,972

Compared with 2011, the significant increase in the present value of future profits (PVFP) after Time Value of F
After the allowance for the cost of required capital (impacted by lower risk free reference rates) and the cost of

The following table shows the expected run-off pattern of VIF emergence across future projection years, groupi

Contribution of future years to VIF as at 31 December 2012

0-5 years	6%
6-10 years	16%
11-20 years	28%
21-30 years	31%
31+ years	20%
Total	100%

The profits emerging within the first 20 years of projection account for 88% of the overall VIF.
